

# THE STATE IN RELATION TO LABOUR IN INDIA

Sir Kikabhai Premchand Readership Lectures Delivered  
in January 1938, in the University of Delhi.

BY

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DEDICATED TO  
THE PIONEERS OF LABOUR MOVEMENT IN INDIA  
WHO STROVE FOR SECURING SOCIAL JUSTICE  
FOR THEIR COUNTRYMEN.

## PREFACE

I am very grateful to the University of Delhi for the honour it has done me in inviting me to deliver the Sir Kikabhai Premchand Readership Lectures this year. I am the more sensible of the honour, as this is the first time a political scientist has been called upon to deal with a sociological subject like the "*State in Relation to Labour in India*". This problem of Industrial Peace and Social Justice is one of the burning questions of the day and a proper solution of this question will not only lead to better citizenship, but pave the way for world peace in an indirect way. These problems are no more of mere academic interest, but have become practical politics, which justifies a teacher of Political Science to accept this invitation.

The labour troubles at Cawnpore, Bombay, Calcutta, Madras, Ahmedabad, Sholapur, and elsewhere in the country for the last six years or more have brought the labour problems very much to the fore, and the Congress Ministries have to tackle this question. The labour conditions in India can by no means be said to be satisfactory. They are perhaps the worst in the world, with the increased cost of living and reduction in wages. Most of them live in ill-ventilated and overcrowded mud-houses and the diet of an average labourer is totally inadequate both in quality and quantity (and is said to be worse than jail diet by one writer). Contrast these conditions with the West, where the 40 hours' week is established as in France, and the U.S.A. with Whitley Councils, minimum wage, old age pensions, sickness insurance, compulsory arbitration of disputes, etc. A decent standard of living, hours of work and conditions of labour in conformity, as far as the conditions of the country permit, with international standards, suitable machinery for the settlement of disputes between employer and workers, protection against the economic consequences of old age, sickness and unemployment and the right of the workers to form unions are some of the demands of the labour in India. This problem has now acquired a certain topical interest, since most of our workers and peasants constituting the majority of the population became voters at the last elections and lost their sense of pathetic contentment and expect the Congress Ministries and other Provincial Governments to fulfil their pre-election pledges. A new social order based upon the principles of social justice is what they demand. The example of the I.L.O. in Geneva has fired their imagination and determination still further.



## CHAPTER VI.

TRADE UNIONISM IN INDIA	..	79
Federation of Unions—Women's Unions—Nationalization of Unions —Recognition of Unions—Labour Representation.		

## CHAPTER VII.

EVOLUTION OF FACTORY LEGISLATION IN INDIA	..	99
Industrial Workers in India—Labour Laws in Indian States.		

## CHAPTER VIII.

INDIA AND THE I.L.O. CONVENTIONS	..	117
Object of the I.L.O.—Guiding Principles—A Non-Political Organization—The Machinery of the I.L.O.—The International Labour Conference—The International Labour Office—The Governing Body—Nature of Labour Conventions—Conventions and Ratifications—Colonial Labour Problems: Forced Labour—Ratification of Conventions—Holidays with pay.		

## CHAPTER IX.

INDUSTRIAL PEACE	..	134
Compulsory Settlement of Industrial Disputes—Regulation of Rates of Wages and Minimum Wage Laws—Cost of Living and Standard of Living—Relation between Labour and Employers in India.		

## CHAPTER X.

STATE AND LABOUR WELFARE IN INDIA	..	152
INDEX		

## CHAPTER I.

### THE MODERN STATE AND ECONOMIC STRUCTURE OF SOCIETY.

The economic life of mankind includes all of those activities and processes by which we obtain the necessities of life and by which we satisfy our desires for things which may not be necessities but minister to our enjoyment, comfort and convenience. Most of us have to work for a living. By hard labour and unremitting endeavour we have to convert the resources of nature into food, clothing, shelter, luxuries, comforts and satisfactions. This is called production. But we must not only produce the goods, commodities, services, or what not that are essential to the satisfaction of our needs and desires; we must also, because, we produce not as single individuals but as groups or communities, have some means of dividing the products of our labour among the various members of the group and of enabling each member of the group to obtain what he needs or wants whether he produces it himself or not. This is called distribution. Economic life is made up almost entirely of the activities of production and distribution.

**The New Economic Order.**—In the early part of the nineteenth century, there occurred what writers on economics have chosen to call the Industrial Revolution. What happened was that the old system of production and distribution was displaced by a wholly new system. Several marvelous inventions, such as the spinning jenny, the power loom, the steam engine, the locomotive, the steamship, etc., made it possible to evolve a new system of production and distribution. In industry, machinery quickly supplanted the household as a unit of production. In agriculture, the farmer ceased to produce all his necessities. He could now buy tools, machinery, clothing, furniture, and many of his foodstuffs more cheaply than he could produce them himself. The application of machinery to agriculture and the demand for labourers in the factories tended to revolutionise agricultural conditions. The enormous increase in production and the corresponding increase in demand, following the introduction of the factory system, greatly stimulated commerce and also increased the volume of commerce in necessities. And most significant of all, the industrial worker, and to a certain extent the commercial worker, ceased to be his own employer. He went to work in a factory or a large commercial establishment as a hired employee. It was no longer possible for each man to own and control his own means of production. Machinery and the necessary buildings and equipment for its use were too costly for the average worker. Factories and commercial establishments of all sorts, therefore, came to

be controlled by individuals of large wealth or by corporations combining the wealth of a number of individuals. This was the beginning of the era of capitalism.

**Traditional Economic Doctrines.**—Men have long believed that economic life is governed by laws comparable to the laws of physics, chemistry and mathematics, and many a devoted scholar has set himself to the task of discovering those laws and formulating them for practical use in the guidance of legislators, statesmen and business men. In a great many cases, however, the supposed laws of economics have proved to be nothing more than theories of hypotheses, which have become the bases of accepted doctrines.

One of the most venerable of the many economic doctrines now held is the so-called law of supply and demand. It was at one time believed that the value or price of any service or commodity required in economic life was determined almost exclusively by the interaction of two factors—supply and demand. If the supply was large and the demand slight, the value or price would be low; if on the contrary, the supply was small and the demand large, the value or price would be high. In other words, values and prices were supposed to fluctuate in accordance with the relationship between supply and demand. It was also supposed that supply and demand would react upon one another. A large demand would call forth an increase of supply, or an over-supply cause a shrinkage of demand, but it is not an inflexible law and we must be exceedingly cautious in forming conclusions based on the theory of supply and demand.

Another of the traditional economic ideas is the doctrine of free competition or laissez-faire. It was believed that if men were allowed to compete in the production and distribution of economic goods and services without any restrictions or limitations that economic life would regulate itself just as water flows down-hill or smoke rises in the air. The operation of the laws of supply and demand would enable each person to discover what was best for him and to act accordingly. Each person would buy what he most needed or most wanted, or if the supply was so limited that he could not get what he most needed or wanted, he would take the next best thing. Manufacturers and other producers would find out what was wanted and would endeavour and meet the demand as far as possible. Those who could meet the demand most cheaply and efficiently would succeed and those who could not, would fail. Each person would also discover the line of work most profitable to him and would go into it. If competition should render that line of work less advantageous, he would go into another line of work. Men would not continue to buy of producers who made inferior goods or who cheated, and would not continue to work for employers who paid low wages or maintained unsatisfactory working conditions. In brief, free

competition would bring about a state of balanced self-interest under which every person would succeed in proportion to his own ability and deserts. Like the doctrine of supply and demand, the doctrine of free competition or laissez-faire has been shown to be partially true.

**The Laissez-Faire Theory of Government.**—It was natural and inevitable that these economic doctrines should have powerful influence upon people's ideas as to the function of government in economic life. Believing that under a state of free competition with the law of supply and demand in full operation economic life would be self-regulating, people demanded that government should, so far as possible, abstain from interference in economic life. It was conceived to be the business of government to maintain order, to protect persons and property, to provide for the enforcement of contracts, and a few matters of that sort, but not to invade the realm of private life and interfere with what people chose to call their personal liberty to do as they pleased in their economic and social life. This "Hands-off" theory of government reached the height of its popularity about the time when the American constitution was drafted. That is why, the American federal and state constitutions contain restrictions with reference to the power of government to interfere with life, liberty, and property. The Government of India followed this theory till the end of the Great War in 1919.

**Economic and Social Problems of the State.**—The doctrines of "laissez-faire" and individualism dominated economic and political life in India for generations, following the English example of the 19th century. These principles may have been effective in an agricultural era, but with the recent development of industrialism, the growth of corporations, and the concentration of large numbers of peoples in cities, they have largely broken down. Control for the protection of the individual has become essential, and this control is evidenced in the modern forms of the organisation of government. Corporate industry on a large scale has created the issues of the eight hour day (almost universally adopted in the West), workmen's compensation, the minimum wage, and better working conditions. The State, especially since the close of the war, has been forced to the position of protecting society against those who would exploit society for their own gain. The modern State has to legislate or create an administrative agency to deal with the situation. These forms of economic and social control have been unpopular in some quarters, because they have smacked of State Socialism. Objective studies must be made to determine how to protect the worker against his friends and his enemies, for the lack of such studies is largely responsible for the weakness of our present remedial measures. The city has created the problem of housing with its attendant evils of slums, juvenile delinquency, disease, insanity and crime. The factory has involved industrial accidents, and workmen's

compensation and health. In every case the point at issue concerns the interests, not only of those directly affected, but also of society as a whole. To eliminate in part the need for poor houses, for charitable and correctional institutions, and for public hospitals, is an aim of the State more worthy than that of providing for such unfortunate members of society after the damage has been done. A century of operation of the Industrial Revolution, made it evident that the old economic and political doctrines could not stand. The doctrine of supply and demand, it was seen, did not altogether fit the facts of modern life. And it was also seen that absolutely free competition made possible artificial interference with, and manipulation of, the forces of supply and demand in such a way as to stifle freedom and equality of economic life and opportunity.

No person would, if he could do otherwise, accept employment that did not pay high wages and provide satisfactory working conditions. But it soon appeared that employees often do not have much freedom of choice. They cannot always move to another city or another province just because better conditions of work are promised there. The great majority of working people are tied down to one community, and have to accept conditions as they are. Nor can working people move freely from one industry to another in the same community. And the individual employee is particularly helpless as compared with the powerful corporation or employer. The law of supply and demand with reference to human labour did not work out as anticipated.

**The new Role of the State.**—As a result of the unhappy condition which arose because of the laissez-faire policy of the State, there has been insistent and overwhelming demand that economic life shall be increasingly subject to governmental control and regulation. Some critics assert that this has come about through the demagogic activities of politicians and the insidious spread of socialistic ideas, but such is not the case. It has come about because there has been an absolutely irresistible demand on the part of the great mass of common people—a demand which politicians have not dared to ignore. Socialism has had nothing to do with it. 99 per cent. of the people of India do not know what socialism means. They only know that they do not get enough food and clothing and they blame the State for this condition, and call upon the State to prevent abuses and improve the welfare of all. And the only means of getting action they know, is through government.

✓ During the past fifty years, the functions of government everywhere have been gradually increased and the powers of government steadily enlarged until now there is scarcely any phase of economic life that is not subject in greater or less degree to governmental regulation and control. The power and resources of government are used to foster and promote all lines of commerce, industry and agriculture, to protect

and conserve the natural resources to control and regulate the process of production and distribution so as to prevent abuses and equalize conditions; to assist and protect labour, to control and regulate money and credit, and for many other purposes. These far-reaching activities of government give rise to many perplexing problems. In all these problems there are two fundamental difficulties:—(1) The question of what is the sound policy from an economic standpoint and (2) the question of whether the government has the authority and power to do what is expedient and advisable from the standpoint of sound economic policy. The Government of India have it seems, appointed Professor Gregory as their economic adviser to advise them on these questions among other things.

**Government and Social Progress.**—The functions and activities of government have been multiplied and extended in the field of social life in the same way as in economic life. The laissez-faire policy has been abandoned, and people are now demanding that government undertake increasingly greater responsibilities in the promotion of social welfare and social progress, such as education, sanitation, public health, poverty and destitution, the care of the insane and mentally defective and the reclamation of crime.

We believe to-day, as never before, that if life is to be made healthy, wholesome, and happy the social life of mankind must be largely controlled and regulated by government. ✓

**The question of Economic and Social Justice.**—The economic and social arrangements under which we live are very commonly called the capitalistic system, because of the large part played by that thing which the economist defines as capital. When an economist uses the term "capital" he means any form of wealth that is used in the production of economic goods. A farmer's cattle, his ploughs and barns are his capital; a merchant's equipment, fixtures and stock in trade are capital; a manufacturer's buildings, machinery and raw materials are capital. Cash money is not regarded as capital unless it is used for productive purposes and then it is usually converted into buildings, machinery, equipment, goods, etc. Economists generally say that there are three factors in production—nature (this includes land and all the things external to man which nature supplies)—labour and capital. These three are equally important and equally indispensable, but under the ✓ present system capital is generally the controlling and decisive factor. That is to say, those who have or control capital are in the dominant position. A factory for the production, let us say, of clothing cannot be operated without land and labour as well as capital. But those who have land only cannot start a factory; but those who have or control capital can do so, because they can buy land and employ labour. Thus it is seen that capital in a sense may be said to have the initiative and

the power of decision, and land and labour, indispensable though they are, are in a way the servants of capital.

Now, in our scheme of life, capital is privately owned and controlled. It is private property. Individuals or combinations of individuals in the form of partnerships or corporations use the capital they have accumulated or are able to control in order to establish and operate mines, factories, railways, steam-ship lines, stores, and in fact all the different institutions by which economic goods are produced and distributed. These individuals buy and control land and other national resources for their purposes, and employ labour. They are in fact the governors and managers of our economic life. Capitalists, we call them.

Another curious feature about our capitalistic system is the tendency of capital to gravitate into the control of a relatively small number of persons. This is particularly striking in industry, but is not so noticeable in merchandising or agriculture. In our great basic industries, such as coal, steel, oil, transportation, there has been during the past quarter of a century, a very marked concentration of capital in the hands of a very few enormously wealthy persons or corporations. This does not mean that all of the capital in those industries is owned by a few great magnates, but simply that industry is organized in such a way that, though they do not own all the capital, they effectively control it.

**Labour.**—All people who perform personal services for a compensation are in a broad sense labourers, but in common usages the terms "labour" and "labouring class" have come to refer only to manual workers who receive daily, weekly, or monthly rates of payment for their services. This distinction is a natural one because the great mass of manual labourers, whether skilled or unskilled, occupy a somewhat different economic position, from salaried and professional workers.

**The Economic position of Labour.**—The first fact which tends to fix the status of labour is that as a general rule labour has no voice in management. The labourer cannot determine his own duties, control his own time, or regulate the conditions under which he works. He is a hired employee who must take orders and accept working conditions fixed by his employer. The second important fact, that conditions the position of labour in economic life is that labour as a rule experiences most of the disadvantages and few of the advantages of the operation of the law of supply and demand. The labourer cannot create a job for himself; he can only work when employment is given to him. And he cannot easily adjust himself to changes in the demand for labour. Commodities are mobile, and in general can be readily sent to the most favourable market; but the labourer cannot be always on the move as labour conditions change. He is tied down by family responsibilities and by limitations of ability which make it impossible for him to seek

new employment whenever conditions become adverse. Suppose there is a serious depression in the textile industry, accompanied by unemployment and wage reductions. Suppose, again, there was a boom in the iron and steel industry accompanied by a strong demand for labour at good wages. But it would be impossible for any considerable number of textile workers from Bombay to move to the steel and iron factories at Jamshedpur, not only because they could not bear the expenses of transporting themselves and their families across the continent, but also because most of them would not be qualified for work in the steel and iron industry. On the whole, therefore, the great mass of labourers have to put up with conditions as they are in the communities in which they are settled.

A third fact that deeply affects the economic position of labour is that the law of supply and demand does not work the same in case of human services as in the case of material commodities. It very frequently happens that an enormously increased demand for labour will raise wages to a point where it is more economical to displace labour by machinery, and when this occurs labour is prevented from reaping the full advantage of scarcity of labour. Furthermore, the demand for labour is capricious, variable and seasonal. The demand is not for labour in general but for particular types of labour at particular places. And the supply at those points may be inadequate or excessive without profoundly affecting conditions in other places or other industries. Another fact that affects the situation of labour is that the labourer is not in as good a position to demand his own price for his labour as is the employer to demand his price for the finished commodity. To a certain extent, the labourer can hold out for higher wages, but not for long, because he must work or starve. The employer, on the contrary, is generally in a better financial position. He may have money in reserve, or he may be able to obtain loans from the banks, to tide him over a period of depression and to enable him to withhold his product from the market until prices are better. And he can always curtail production and reduce wages. For these reasons, labour occupies a position of insecurity, dependence, and often of sheer helplessness which is not the lot of the salaried, professional and employing classes.

**Labour Organizations.**—Realization of the insecure, hazardous, and often helpless position of labour, has led to the formation among the labouring classes of all countries, of labour unions and other organizations designed by the mutual aid and united action to improve the lot of the labourer and strengthen his position in dealing with his employers.

The activities and purposes of labour unions are too varied and complex for exhaustive treatment here. Perhaps the chief activity and most fundamental purpose is what has come to be known as



'collective bargaining'. Under collective bargaining all dealings with employers with respect to wages, hours of labour and other working conditions are carried on, not by the individual worker but by the Union. The officials of the Union by vote of the members are authorised to act as their spokesmen and to make agreements with employers which will be recognized as binding upon all the members of the Union, and the individual members of the Union decline to make any agreements with their employers except through the Union. Thus the employer is obliged to deal with the workers as a body instead of with the workers as individuals. This unity of action greatly enhances the power of the workers to obtain higher wages and more satisfactory working arrangements, and also enables all employees to obtain the same treatment. When an employer refuses to recognize the right of the Union to speak for his employees, or when an employer refuses to accede to the terms demanded by the Union or violates an agreement made with the Union, the Union endeavours to coerce him.

Besides the militant activities incidental to collective bargaining, Labour Unions in the West perform a great many benevolent, fraternal, and educational functions. Many of them provide various kinds of insurance-benefits, as death benefits, accident benefits, unemployment benefits and sick benefits. A number of unions maintain homes for the care of the aged and incapacitated members and some pay old age stipends to their retired members. Unions also promote many social activities, such as concerts, dances and other entertainments. A great many unions in recent years have launched educational enterprises—classes for instruction in adult education, sanitation, public health and many other subjects. The Trade Unions in India have hardly done any of these things yet. They are even not recognized and their main activity at the present time is confined to collective bargaining.

**Labour problems.**—The paramount problem in the field of labour is how to establish industrial peace—how to end the perennial warfare between organized labour and organized capital which is so terribly expensive to labour, to capital and to the public. Many employers believe labour unions are wholly evil and ought to be legislated out of existence. They might just as sensibly advocate turning back the tides of sea with a wave of the hand. Organized labour is with us and has come to stay. Labour in this country has not yet learned how to manage its own affairs. It is also true, unfortunately that there have been a number of cases of corruption among leaders of the movement. Indefensible as these things are, they should not lead to a general condemnation of labour unions or to forgetfulness of the equally indefensible practices of employers.

But for the ruthlessness, inhumanity and greed of certain types of employer and the sheer stupidity of the great majority of employers in

the art of handling men, it would be exceedingly difficult to organize and maintain labour unions in India. Many expedients are proposed for the promotion of industrial peace. The best known of these perhaps is arbitration. Under arbitration the union and the employer agree to refer the matters in dispute to an impartial third party or to a board made up of an equal number of representatives of the union and the employer and a third party selected by these representatives. They also agree to abide by the decision of the arbitrator or the board of arbitration. Where arbitration is resorted to, it may be said in general to work fairly well, although the decisions rendered are seldom satisfactory to either the employer or the employees. But there is no way to compel the contending parties to arbitrate, and irreparable damage may result before they can be brought together in a voluntary or arbitration agreement. For that reason, some persons advocate the enactment of laws which would compel the contending parties in a labour dispute to arbitrate, and compulsory arbitration is in operation in some countries like Australia, New Zealand, etc. A great many employers in the U.S.A. have entered into contracts with their employees whereby it is agreed that when a dispute shall arise regarding wages, hours of labour, and the like, resort shall be had to arbitration before other measures are taken. This is also the case in Ahmedabad under the guidance of Mahatma Gandhi. Other schemes proposed for the furtherance of industrial peace are profit sharing (as in the Ford Company, Rowntree Chocolate Factory, etc.) admission of employees to a share in the government of industry and co-operation. Profit sharing may do something to allay discontent among employees, but experience has shown that it cannot effectually prevent conflicts between employers and labour unions.

The reorganization of industry so as to admit employees to a real share in the determination of industrial policies seems to offer most hope for the attainment of peaceful relations between employers and employees. A number of liberal and thoughtful employers in the West have voluntarily placed their concerns wholly or partially under the control of councils or committees in which the employees have a fair share of the membership. Such arrangements tend to convince the employees that no action will be taken without consideration of their interests, and also to bring home to them some of the difficulties of management. Co-operation, of course, goes far beyond this. In a co-operative business the employees actually own all or a considerable part of the business, and receive dividends (if there are any) in addition to their wages. Co-operation has not as yet made any progress in this country. In the West, labour banks and co-operative merchandising enterprises have been successfully functioning and the introduction of similar institutions in India in future is desirable and necessary.

Next to the problem of industrial peace, the most acute problem of labour is how to prevent unemployment. The irregularity and uncertainty of employment is one of the main causes of distress and discontent among the working classes. Many industries are of a seasonal character and make little effort to keep their employees regularly and continuously at work, and others are so wholly dependant upon temporary business conditions that they take on a large force of employees when business is good and promptly dismiss them as soon as business conditions change. Public employment agencies may perform valuable services in assisting workers to find employment and in bringing about a better distribution of labour supply, but it must be admitted that the only solution of the unemployment problem lies in the stabilization of business conditions. And it is quite conceivable that this desired end will not be attained until the employees in all branches of commerce and industry have sufficient voice in management to compel employers to take a new and different view of the matter of expansion and retrenchment. Most employers are quite unable to resist the temptation to double or treble their labour forces in times of prosperity in order to make quick and enormous profits, and when business conditions change and the big profits are no longer possible, they retrench by dismissing large numbers of their employees.

From the employers' and shareholders' point of view that is good business; but from the labourers' point of view it is exploitation. A resolution on this subject of unemployment is tabled for the meeting of the Central Legislative Assembly in Delhi.

Another labour problem that looms large in the world of commerce and industry is that of increasing the efficiency of labour. Employers in India as elsewhere have frequently complained of the inefficiency of labour. Under some circumstances, no doubt, labour is deliberately and wilfully inefficient. Labourers and labour leaders sometimes frankly admit that it is their policy to do as little as possible and get as high a wage as possible. They feel that this attitude is justified by what they regard as the ruthless exploitation of labour. But it may be confidently stated that purposeful slackness is not as great a cause of inefficiency as ignorance of the most efficient methods of work and lack of training in efficient methods of work. In the skilled trades, workers are taught by the old fashioned apprentice method of instruction, which though effective is not notably progressive; and unskilled workers as a rule have no training at all. During the last 25 years engineers and experts in scientific management have made amazing progress in the development of new and more efficient ways of doing manual labour, and numerous employers have attempted to introduce these methods. Labour, however, has viewed scientific management with suspicion and has resisted its introduction. The craft unions quite generally have

held out for the old apprentice system and for strict limitation of the number of apprentices, and the industrial unions have fought the introduction of scientific methods of work. On the whole, labour has felt that scientific management is merely a new device for the exploitation of labour. Short-sighted, though this view may be, it must be taken into account, and employers and the public as well, must come to realize, that labour will not be won over until there is a thorough readjustment of the relations between capital and labour.

From earliest times, certain phases of the relation between employer and employee have called for governmental regulation and control, but it is only during the last 50 years that we have come to expect government to play a decisive part in the solution of labour problems. Under the Government of India Act of 1935, the duty of enacting and enforcing legislation for the assistance of labour and for the improvement of industrial conditions has fallen chiefly to the provinces and the Indian States. The Federal or Central Government will only have indirect power to deal with industrial conditions and problems as incidental to the regulation of foreign commerce. The provinces and States will have to provide legislation on a large variety of subjects pertaining to labour, the following being the most important and conspicuous: working conditions and hours of labour, compensation for industrial accident, rates of wages, the settlement of industrial disputes, and the improvement of the legal position of the worker.

Nearly all the provinces and a few States now have a large body of legislation requiring employers to provide safe, sanitary, and healthful conditions for their employees. These laws are very specific as regards provision for light, ventilation, toilet facilities, drinking water, fire escapes, and safety appliances for dangerous machinery. A special department of the provincial government is maintained for the enforcement of these laws, and a staff of factory inspectors is maintained in some provinces to check employers. Nevertheless, there is still much room for improvement.

The obligation of the State to the labour questions rises from a threefold reason, first, protection of the wage workers, who neither singly nor often even in combination can make a fair bargain with large business concerns as to the conditions of work and similar matters; second, expert and specialised service in the case of accidents and diseases, which is often beyond the power of both employers and employees and third, preserving the general welfare of society as a whole which employers and employees are apt to forget. Among such problems must be included child and woman labour and industrial peace. For the solution of these problems, almost all countries have developed labour or social legislation. We will discuss in the following pages some of these problems. It is now generally admitted that it is the

duty of the State to secure social justice by abolishing the system of sweated labour and to prevent the exploitation of industrial labour in factories and workshops and agricultural labour on the farms.

Too often in India, in the squalid chawls and busties of our industrial cities, manhood is brutalised, womanhood dishonoured and childhood poisoned at its source. A new conception of human rights, the rights of all workers industrial and agricultural to a minimum wage, to a decent standard of housing, education and the amenities of life, must aid us in securing a new social order based on social justice. That is the essential goal of the mass contact stressed by the Congress to-day in India.

## CHAPTER II.

### SCOPE AND METHODS OF STATE ACTIVITIES.

What is the State? And what is its function in Society and in the community? The State, however important, is and can be for us no more than the greatest and most permanent association or institution in society, and its claim even to any such position is contested by recent political thinkers like Laski. The State is a political association of which the purposes and interests are primarily political.

Let us begin with a brief summary and analysis of the principal activities of the modern State, that is of the States which exist in Europe and America, so that we may discover the State's function in the society of to-day.

It is a commonplace observation that during the last two generations at least, the activities of the State have been undergoing constant and rapid multiplication and expansion. Moreover, it is generally recognized that this expansion has been far more extensive in the economic than in any other sphere. To-day, almost every developed State is ceaselessly active in economic affairs. It passes Factory Acts and other legislation designed to ensure a minimum of protection to the workers engaged in production; it regulates wages and hours; it attempts to provide for and against unemployment; it intervenes, successfully or unsuccessfully, in industrial disputes; it compels employers to provide compensation for accidents and both employers and workers to contribute to social insurance funds which it administers. On the other hand, it regulates to some extent the commercial operations of financiers and employers, restricts or attempts to restrict trusts and profiteering, uses its consular service and special agents to aid foreign trade, encourages, subsidises and assists in industrial research, enacts laws affecting, and entering into many formal and informal relationships with capitalist interests and associations. Moreover, more and more, it embarks itself upon economic enterprises, conducts a Post Office or a railway service, and becomes the direct employer of vast numbers of its citizens, incidentally often imposing political and other disqualifications upon them on the ground that they are State employees. To all this industrial and commercial activity of the national State must be added the no less complex activities of local authorities acting under the laws enacted by the State—municipal and other local bye-laws regulating industry and commerce, and the extending operations of municipal trading.

There is a further economic activity of the State which is more and more becoming manifest in our own day. Taxation is in its origin, merely a method of collecting from individuals that proportion of their incomes which must be diverted from their personal use to meet the necessary expenses of State administration. But as the activities of the State expand, taxation shows a marked tendency to become also a method of redistributing incomes within the community. This new tendency emerges already in systems of graduated taxation; but it becomes the leading principle in those proposals, nowhere yet carried far into effect, except in Soviet Russia, which aim at its definite and deliberate use as a means to at least comparative equality of income.

Apart from taxation for administrative purposes, the present economic activities of the State are largely of recent growth. This is not to say that the State had not previously engaged in economic action on a large scale as for instance under what is known as the "Mercantile System". But between the "Mercantile System" and the economic activity of the modern State intervenes in many cases a period of comparative inactivity—laissez faire—following upon the changes caused by the Industrial Revolution. In the middle ages, when economic activities were largely in the hands of the guilds, and in the period of the Industrial Revolution, when they were largely in the hands of competitive capitalists, the State's intervention in economic matter was, comparatively, very restricted indeed.

Extensive as the economic activities of the State are, it will be agreed that they have not yet, except in Soviet Russia, reached an essentially central position. This might occur, and would probably occur in other countries also, if the pure collectivists had their way; but for the present, the central position is still occupied by political and co-ordinating rather than by economic activities, although the latter constantly threaten the position of the two former. To-day, whatever may be the true function of the State, there is an undeniable temptation to conclude, on the basis of its actual activities, that its functions are practically universal and unlimited.

The State of to-day possesses increasingly important activities of co-ordination. It is largely concerned in adjusting the relations between association and association, or institution and institution, or associations and institution or between other associations or institutions and itself. It enacts laws regulating the form and scope of associative activity, such as Trade Unions, religious associations or churches, clubs and associations of any and every sort. This is one theory of the State which regards it as primarily a co-ordinating body, devoted not to any specific functions of its own, but to the co-ordinating of the various functional associations with Society. In its activity of co-ordination, it is

confronted with the problem of international association, from the Roman Catholic Church to the Socialist Internationale.

We may conclude, then, that the State is an inclusive territorial association, ignoring differences between men and compulsorily taking in every one who ordinarily dwells within its area. This being its principle, how can we discover its function? The answer will be found by asking and answering a further question. Why does the State ignore the differences between men and include all sorts and conditions, and what is the sphere of action or social function marked out for it by the adoption of this structure? It ignores the differences between men because it is concerned not with their differences, but with their identity; and its function and intent are concerned with men's identity and not with their differences. Objectively stated, this principle takes the following form.

The concern of the State, as an association including all sorts and conditions of men, is with those things which concern all sorts and conditions of men, and concern them, broadly speaking, in the same way, that is in relation to their identity and not to their points of difference. The State, then, exists primarily to deal with those things which affect all its members more or less equally and in the same way. Many vital industries and services, affect almost everybody in very much the same way. We must all eat and drink, be clothed, housed and be tended in sickness and educated and our common needs in these and other respects give rise to a common relation, that of consumers or users of the products and service rendered by those who follow the various trades and vocations concerned.

It is upon this fact that the collectivist theory of the State is based. The collectivists, or State socialists, regard the State as an association of consumers, and claim for it, supremacy in the economic sphere on the ground that consumption, at least in relation to the vital industries and services is a matter that concerns everybody equally and in the same way. This, however, is to ignore a difference as vital as the identity on which stress is laid. The most that can be claimed for the State in the economic sphere on account of the identical interest of all the members of the community in consumption, is State control of consumption, and not State control of production, in which the interests of different members of the community are vitally different. The economic sphere thus falls at once into two separable parts—production and consumption—in one of which all interests tend to be identical, while in the other production, they tend to be different. Consumption is thus marked off as falling, *prima facie*, within the sphere of the State, while production is no less clearly marked off as falling outside it.



It has been stated that taxation tends to become, and to be regarded as, not merely a means of raising revenue for public purposes, but a means of redistributing the national income. May not this tendency provide the key to the State's function in relation to consumption? If there is one thing in the economic sphere which affects everybody equally and in the same way, it is the question of income, on which the nominal amount of consumption depends. Closely bound up with this is the question of price, which, in its relation to income, determines the real amount of consumption. Income and prices, then, seem to fall clearly within the province of the State and the determination of them forms an integral part of the States' functions. The State, then, regulates consumption primarily, through income and prices. By these means it acts upon the general level and distribution of consumption of any particular commodity.

In the case of the vital commodities and services which, broadly speaking, affect everybody equally and in the same way, there is a *prima facie* argument for regulation, and it is clear that regulation must be done either by the State or by some body or bodies reproducing its structure and similarly based upon general suffrage and an inclusive and non-selective electorate. The question whether the State or some other body or bodies so constituted should assume these functions depends upon the degree in which the combined performance of political functions and of those specialised economic functions can be undertaken with satisfactory results by the same group of elected persons, or whether it is necessary that the same body of electors should choose different persons and representative bodies for the performance of functions so essentially different and calling for such different capacities and acquirements. Thus it is, that the State is the co-ordinating authority within the community, though to entrust the State with the function of co-ordination would be to entrust it, in many cases, with the task of arbitrating between itself and some other functional associations, say a church or a Trade Union. But the State, being sovereign, *i.e.*, almost all the modern theories of the State attribute to it not merely a superiority to all other forms of associations, but an absolute difference in kind, by virtue of which it is supposed to possess, in theory at least, an unlimited authority over every other association and over every individual in the community. The State has the monopoly of coercive power, for it alone has the power of imprisoning the individual and in the last resort of hanging him or cutting off his head. The State represents and includes everybody within its area, and is, therefore, superior to other associations which only include some of the persons within its area.

Political organisation and indeed every essential form of associative life, is, in Marx's view, the result of economic conditions and of the

distribution of economic power in the community, and the changes which occur from time to time in social organisation are equally the results of changes in the economic circumstances. In the words of Marx and Engels, "The economic structure of Society is the real basis on which the juridical and political superstructure is raised—in short, the mode of production determines the character of the social political, and intellectual life generally." The Marxian theory wants us to install the economic structure of Society in the place of State sovereignty. The claim of the State to sovereignty is based on the fact that it is the sole repository of armed force. But there exist other forms of "force" such as the strike which may under favourable conditions successfully challenge even a monopolist in armed force. The advocates of this theory—the "materialist" or "economic" conception of history claim that their conception is "scientific" and base it upon the stern laws of necessity and material evolution. Whatever fine theories other people may spin, they continue to proclaim the hard fact that the human race marches upon its belly, and that the economic order of Society determines every thing else.

Great inequalities of wealth and economic status lead, inevitably, under the modern conditions which necessarily favour large scale combination on both sides, to cleavages in Society that are bound to assume the character of open conflicts. It is, therefore, useless to expect that the various forms of association will perform their functions properly as long as the conditions which make for such conflicts continue in existence. The only remedy lies in some form of approximate, or comparative economic equality. Comparative or approximate economic equality is possible under more than one system, and different systems are required for its attainment under different economic and productive systems.

Thus a generally diffused system of peasant proprietorship, proposed by Mr. Belloc, is certainly a possible approximation to equality for an agrarian Society, and under it such a Society might hope to find its various functional associations doing their jobs with some approximation to propriety. All the various schools of Socialist thought—collectivist, communist, guild socialist, syndicalist—set out to provide a basis for economic equality on the opposite principle, not of the general diffusion and distribution but of the concentration and social ownership of the means of production. Any of these systems, whatever their other faults, might, given an appropriate set of material conditions as a basis, provide economic equality and thereby make possible the functioning of Society without perversion from economic causes. But without virtual economic equality it is useless to look for the disappearance or subordination of class conflict, and therefore, use-

less to expect Society to function aright, either economically or in any other sphere.

The present dominance of economic considerations in Society is based on two things—the “struggle for bread” and the “struggle for power.” In the struggle for bread, there are two factors—shortage and maldistribution—to be considered in so far as productive power falls short, and there is a real deficiency in the supply of commodities to supply real needs, there exists an economic problem which will continue to trouble us whatever social systems we may adopt, until we find a remedy in increasing production. But in so far as productive power is adequate, difficulty arises over the division of the product, *i.e.*, maldistribution, the problem disappears with the realisation of economic equality. And with the disappearance of this problem goes also one of the two causes which made the economic factors dominate the other factors in social organisation.

The second cause, the “struggle for power” remains. This is not exclusively or in its nature economic; but it manifests itself in the economic sphere in a struggle between economic classes for the control of industry. With the abolition of economic class, and the establishment of unified functional control of industries by all the persons engaged in them, the social struggle for economic power also disappears, and the second cause of the predominance of economic factors is also removed. In other words, democratic functional organisation and approximate economic equality are the conditions of the removal of the dominance of economic factors in Society.

In short, if economic classes and class conflicts are done away with, the Marxian thesis will no longer hold good, and economic power will no longer be the dominant factor in Society. Economic considerations will lose their unreal and distorted magnitude in men’s eyes, and will retain their place as one group among others round which the necessary social functions are centred. The economic structure of Society can only be properly adjusted to the due performance of its function when the elements of conflict and with them the conflicting forms of economic association, are resolved into a functional unity. This would involve the disappearance of some, and the radical reorganisation and reorientation of others, of the existing types of economic association. The employers’ association and the Trade Union would alike be out of place as primarily offensive and defensive forms of organisation, and the main types of association would find their motive not in defence or offence, but in social service. The personnel of industry would no longer be divided into opposing camps but united in its common pursuit of its function of the social organisation of production.

Political theory, has in the past suffered immeasurable from its ignoring of the economic aspects and structure of the social system,

while Marxian theory suffers from its persistent identification of the economic structure with Society as a whole. The student should avoid both these mistakes and at the same time recognise the vast influence which economic conditions must always have upon the character of social organisation as a whole. There are economic arguments and moral arguments enough in favour of the adoption of the principle of equality in the economic sphere. To sum up, it may be stated as follows:—

The existence of economic equality means that each form of association in society, instead of attending to the fulfilment of its own social function is perverted to serve economic ends and that thereby the whole balance and coherence of society are destroyed and in the last resort revolution is converted from a menace into a necessity for the restoration of a reasonable social system.

To sum up, again there are three schools of thought, regarding State Activity. There are those who have sponsored a programme of thorough-going State activity approximating to Socialism, and others who have frankly recommended the abolition of the State and the placing of reliance upon the non-political principle of social co-operation. And then, there is the Eclectic position as regards State activity like that of Stanley Jevons. The only distinguished sociologist to stand out as an exponent of anarchism is the Russian writer, Prince Kropotkin. Affected by the communistic features of the Russian Agrarian Society and by the oppression, brutality and corruption of the Russian State, as afflicted by the twofold disease of Czardism and bureaucracy, Kropotkin has set forth an historical and analytical defence of anarchistic society, founded upon voluntary co-operation, and dispensing with the political State.

Another writer who differs from this school, and at the same time related is Herbert Spencer who is an exponent of political individualism or laissez faire. He elaborated this doctrine in a long series of books and articles, culminating in his "*Man versus the State*" and "*Justice*". Here he concludes that the sphere of Government should be limited to the protection of property and person from domestic and foreign attack and to provisions for the freedom and enforcement of contracts. In other words the State should concern itself wholly with "negative regulation".

At the opposite extreme from writers such as Spencer, are those who, such as Comte, Ward, Hobhouse, Schaffe and Stein favour an extensive programme of State Activity. The American writer L. J. Ward is the most powerful and scientific advocate of this school. There are, according to Ward, four legitimate functions of governments, the restraint, protection, accommodation and amelioration of Society.

The fourth function, that of the amelioration or conscious improvement of Society while the most important of all, has yet been but slightly developed. Essentially the same position has been taken by the leading English Sociologist, Leonard T. Hobhouse. Agreeing with Lester F. Ward in his theory of the teleological future of social evolution he represents the sociological expression of the Neo-Liberalism of England that has produced between 1905 and 1914 more constructive social legislation than the combined product of the earlier English governments since the accession of the Tudor dynasty in 1485. While distinctly an exponent of extensive State Activity, Hobhouse is a keenly scientific and discriminating advocate. He recognizes that no universal programme of social legislation can be laid down which would apply equally well to all societies in all stages of social evolution. The only generalization that can be made is that a harmonious and organic social life is essential and this implies the maximum of efficiency and energy on the part of all the social classes. The State is justified in acting on the premises in so far as action to be effective must be universal in its application to a class on the whole society and must involve compulsion. This formula is the most general statement of the philosophy of State activity, and within the field thus marked out, there can be no valid arguments against State interference.

Sympathetic likewise with extensive State Activity have been the German writers Albert Schaffe and Ludvic Stein. According to Schaffe, from the standpoint of biological Sociology, the State appeared as the supreme co-ordinating and controlling agency in Society. As a practical statesman he did much to urge and guide Bismarck in the formulation and adoption of the elaborate social legislation of the German Empire. Stein occupied the same position. Sympathetic with the advanced social legislation of Switzerland and with the German State Socialism, Stein favours a positive and constructive programme of legislation by the State. He believes that the legitimate field of State activity will become greater rather than more restricted; for the more developed the civilization the greater the number of interests which it devolves upon the State to protect and harmonize. All these writers have assumed that the State is the Chief Agency for advancing human welfare and have not hesitated to recommend its utilization to that end.

Then there is the Eclectic school or the intermediate position between the extremes represented by Spencer and Ward. Many of them have followed the general precedent of Stanley Jevons in his book "State in its relation to Labour". Giddings is a representative of this school who holds that "the worst mistake that political philosophers have made has been their unqualified approval or condemnation of the role of laissez-faire." He holds that State interference must be greatest in a population with wide differences in culture and in-

equalities in social position and economic possession, and in times of group stress and danger. A similar justification of eclecticism is given by Cooley. In general, the eclectics hold that State interference should always be invoked to deal with those matters which concern the entire body of citizens in a somewhat uniform manner, but they are rather vague in their specification as to just what this implies in practice. Some of the more radical theorists are much more specific in their solutions. Durkheim would solve that problem by having the State establish general policies of social reconstruction, leaving these to be differentiated and carried out in detail by the various occupational and professional groups. As the leading sociological exponent of French Solidarism, Durkheim would naturally greatly extend the scope of State interference, though safeguarding expert administration through its delegation to technically proficient groups.

More specific is the position of the Guild Socialists. Agreeing that the State "exists primarily to deal with those things which affect all its members more or less equally in the same way," they have invented a formula which would apply to this view with some precision. They would give to the State, the old police function of the classical economists and Spencarian individualists, namely, the protection of life and property, and would also accord to it large powers over citizens as consumers, while practically excluding it from authority over associations of producers. The Syndicalists would go even further and eliminate the State altogether. The functions of the present political organs in society would be transferred to the economic organs—roughly what is now the confederation *Generale du Travail*.

In general, it may be concluded that, while twenty years ago a large number of eminent Sociologists agreed with the position of Spencer, their number is decreasing every year and wards attitude is gaining ground. The recent improvement and extension of the statistical method among avowed sociologists has provided them with a technique for acquiring the scientific evidence essential to sound social legislation both as to testing the merits of each new proposal and as to measuring the results of every important piece of legislation. Finally, it need scarcely be mentioned that all sociologists are agreed that the personal, intelligence and moral of the modern governmental agencies must be vastly improved before any epoch-making social legislation can be expected.

Neither individualism nor socialism represents the best modern view of the sphere of the State. Neither is it possible to draw a hard and fast line between proper and improper governmental activities. The theory of the proper scope of State activities depends upon the conception of the proper ends or purposes of the State; the determination of just what powers shall be assumed by a particular State at a given

time is a question of expediency. In each instance the circumstances of the case must determine whether or not the advantages to be derived from the public control are more than offset by the weakening of the self-reliance of the people, by the encroaching upon the personal freedom, by the opening of the way to corrupt influences in Government, or by the creating of precedents for assumption of activities by the State that will be detrimental to the general interests. This is practically the rule followed by all modern civilised States. Almost every one agrees that the State should do more than merely maintain peace, order and security among its members.

This primitive State function widens in an advanced political civilisation into the duty of the State to contribute to national well-being and progress. Matters connected with the maintenance of domestic tranquillity and defence from foreign aggression or wrongs, enter but slightly into our general thought. Our legislatures are mainly concerned with economic matters such as the levying of proper import duties, with the control of corporations, with problems connected with railways, with the assessment of taxes, with the regulation of wages, labour conditions, etc.

While the general presumption was against State interference, and individual freedom of action considered the rule and State intervention the exception; at the same time the present tendency of States is to push their activities further into domains formerly left to individual initiative. Three powerful forces are now at work pressing for an increase in the functions of government. First in order of historical importance in paternalism, or the effort of the upper classes through sympathy or fear, to advance the interests and security of the working class. This form of State interference which originated in the quasi-paternal relationship of feudal lord and dependants, is less popular among the more purely individualistic industrial nations like the U.S.A. and England. A second group of advocates of increased government activity is fundamentally individualistic in the old sense of the word, in so much as its members seek to use the arm of the law to destroy, or closely restrict, large corporations in order to encourage the diffusion of real property and the intensification of competition. Thus we have the paradox of extreme individualists calling on the government to interfere in economic matters to a certain degree for the purpose of forestalling the possibility of a future intervention on a larger scale. A third force working for State interference is the constant increase in the huge industrial army that inevitably accompanies the advance of mechanical revolution in production and distribution. The medieval system in which each worker owned and controlled his simple implements and conducted his business in his own fashion has disappeared for ever and in place of it has come a divorce of the labourer

from his tools—the ownership and management of which have passed largely into the hands of a relatively small proportion of the population.

Liberty has economic as well as legal elements. Freedom of contract between an employer and an employee with a few days' supplies behind him obviously cannot have the same meaning that it has between persons similarly situated as far as economic goods are concerned. This new industrial democracy is evolving a political philosophy of its own, confused and inarticulate in diverse ways, but containing many positive elements ranging from minor modifications of the labour contract to the socialist doctrine that the passive ownership of property is merely a special privilege to be eliminated by the use of the government as the collective instrument for the administration of all important forms of concrete capital.

As a result of all these forces and the growing complexity of our modern civilisation, along with the increasing possibilities of effective collective action, the burdens of our governments tend to multiply, and the stress once laid on individual liberty in the juristic sense is being diminished. The Australian constitution for instance, leaves individual liberty without a clause while empowering the government to establish old age and invalid pensions, provide for industrial conciliation, and acquire railways and other forms of property. The United States Government similarly in response to these new economic forces, has stretched to its utmost, its powers of regulating industrial operations and protecting the working class. It is clear, therefore that the functions of the State are expanding out of proportion to the growth in extent and complexity of social activities.

To what extent is the State justified in expanding its activities and functions? The answer to this question depends upon the answer to another question, namely, what is the proper end or purpose of the State? It would seem that Statesmen, in determining upon lines of policy or action, should have in mind a clear conception of the reasons for which the State exists. Political scientists of the latter 18th and early 19th centuries thought that government and law are necessary evils and that the proper purpose of the State is merely to protect the natural liberty of the citizens. The keeping of order, the protecting, of property and the enforcement of contracts were considered the only proper aims of the State. The purpose of the modern State seems to be a composite aim at securing order and social justice for its citizens, with opportunities for moral and material progress and ultimately the advancement of the welfare of civilization at large.



### CHAPTER III.

#### LABOUR AND THE TOTALITARIAN STATE (ITALY AND GERMANY).

Every one knows that the Fascists are playing an important role in world affairs. The Fascist State is not merely an administrative organization, concerned with the political or economic issues; it is "totalitarian", embraces all interests and activities, whether of groups or individuals and permeates the spiritual content of life. Nothing can exist outside or above the State. "One cannot be Fascist in politics . . . and non-Fascist in school, non-Fascist in the family circle, non-Fascist in the workshop." Where Fascism departs most radically from the accepted doctrines of liberalism, socialism and democracy is in its conception of the liberty of individuals and groups. Individual rights are recognized by Fascism only in so far as they are implied in the rights of the State. Fascism, however, does not accept a bill of rights "which tends to make the individual superior to the State" and empowers him "to act in opposition to society". Freedom, whether political or economic, is a concession on the part of the State, and can be granted only on condition that it be exercised in the interest of society as a whole and within the limits set by social exigencies. Fascism recognizes that individual ambition is "the most effective means of obtaining the best social results with the least effort" and regards a degree of economic liberty compatible with the social good. This liberty, however, must be severally curbed whenever it threatens to result in economic conflict and disturbance of public order. Measures of class self-defence, such as strikes and lock-outs, are therefore, prohibited by Fascism. Economic justice is to be achieved, not in consequence of class struggle, but by means of Fascist syndicates subject to the authority of the State. It is particularly important, according to Fascism, that peace should be preserved in a country like Italy, which is poor in natural resources. Says Mussolini "Public order must not be disturbed for any motive, at any cost. Italy must have economic peace in order to develop its resources. . . . It is necessary for Syndicalism and capitalism to realize the new historical reality: that they must avoid bringing matters to the breaking point, must avoid war between classes, because when such a war is fought within the nation, it is destructive. The government is at the orders of neither group. The government stands above all groups in that it represents not only the political consciousness of the nation to-day, but also, all that the nation will constitute in the future." Such in brief is the political philosophy of Fascism.

**The Fascist Programme.**—The major task of those who drew up the Fascist programme was to find a middle ground between trust economy, capitalism, imperial expansion and rationalisation on the right, and a working class revolution on the left. This programme may be summed up in four sentences:—(a) Unite the propertied and privileged, (b) Smash the proletarian revolution, (c) Organise self-sufficient nations, and (d) Establish a strong State. Fascist leadership was able to organize an effective united front of the propertied and privileged. Once a united front of the propertied and privileged had been organized, the immediate task was the liquidation of the proletarian movement, including revolutionary political parties; the trade unions; the co-operatives; the working class newspapers; the defence organizations; the semi-military units. The method of liquidation was a secondary consideration. The need for smashing these organizations was conceded by all of the propertied elements. The middle class elements who were the chief backers of Fascism proposed to preserve their property and their privileges by establishing self-sufficient economic systems within the boundary lines of each nation's State. The success of a policy of economic self-sufficiency was taken for granted by the Fascists, who believed that given land, resources, tools and labour, there was nothing to prevent a closely knit, well-governed State from charting its own course and leading a life quite independent of the world outside. To be sure, such a State would have to be prepared to fight for its right to self-determination and self-sufficiency.

The programme for national self-sufficiency includes subsidies for peasant proprietors; the encouragement of working handcraftsmen and protection for small tradesmen. It also calls for the nationalization of power, railroads, telephones and other public utilities which are essential to State administration and national defence. Finally, in developing its economic programme, the self-sufficient nation is compelled to control foreign trade. By decreasing specialised production of commodities; by encouraging local and largely self-sufficient economic activities; by nationalising the key industries and by controlling foreign trade, the self-sufficient nation will restrict economic activity largely within its own borders.

A programme of economic self-sufficiency was meaningless unless it could be enforced. The menace of working class revolution and the uncertainty and chaos of the post-War world were further arguments in favour of a State strong enough to maintain law and order. This, Mussolini succeeded in creating a totalitarian State, strong enough to stand above all individuals, and above all class and sectional interests. This sovereign State would determine its foreign policy solely with a view to the advancement of its own interests.

**Fascism in Action.**—Fascism had its beginnings long before the war of 1914. Theorists trace its origins in the writings of Saint Simon, of List, of Sorel and of the Syndicalists whose ideas gained such widespread support in Italy, Spain and Latin America. Syndicalism is a theoretical near neighbour to Fascism, involving a form of society akin to the corporative State of the Italian Fascists. The after-math of war and revolution fused the divergent middle class elements and the more aggressive elements of the ruling class into a propertied-privileged united front which carried the banner of Fascism to victory. The main body of Fascist support has been drawn in every instance from middle class elements. The leadership has been divided between the middle class and the ruling class. The unexpected violence of the labour crisis of 1919-20, so frightened shopkeepers, small factory owners, and businessmen whose financial position was none too secure that they joined the movement in haste and contributed liberally, even frantically to the fasci. The Middle class mobilized youth launched a struggle both against Capitalism and against the revolutionary proletariat in the towns. As the Fascists moved towards power, their attacks on the big capitalists grew less severe.

Fascism aims to perpetuate such basic institutions as private property, individual enterprise, small scale farming and trading; the church and the political State. Since most property and privilege are based on one or more of these institutions, the Fascists in bidding for power can promise security to the well-to-do and also to those workers who hold a position above the level of bare subsistence. Thus unlike, communism and Sovietism, Fascism respects and defends most of the existing institutions.

**The Fascist Organisation.**—In Germany, as in Italy, the militarist—fascist organisations were formed expressly for the struggle to crush the revolutionary movement of the working class. Local Fascist groups terrorized the leaders of the labour movement; attacked trade union houses, smashed labour presses and thus in individual local combats, shot the leaders of their only real opponent—the working class revolutionary movement.

The Fascist attacks upon the revolutionary movement lined up Fascism and big business on the same side of the class war fence. Business interests have helped to finance the Fascist movement, and many of the sons and grandsons of big businessmen together with the younger generation of the large landowners joined the Black Shirts in Italy and the Brown Shirts in Germany. The Fascist organization offered a fighting arm to a bankrupt and harassed capitalism, none too sure in many cases of the police and armed forces. Consequently, the business interests provided the Fascist movement with funds and assisted

it to attack working class organizations. Big business is safer in Italy under Fascism than it was before the March on Rome, in 1922.

Italian Fascism made another important bid for big business support. Mussolini offers to the Italian employers "something possessed by no system of private industry anywhere in the world; absolute security against strikes and against the sabotage which at earlier times has been so widespread in Italy. To-day, private employers in Italy can pile up costly machinery, lay in stocks of valuable materials; no one will damage them, no one will endanger their usefulness by class struggle, no one will attack the security of private property. The industrialists to-day can count surely in their calculations upon freedom from strikes. In hindering strikes, he sees the real test of the true possibilities of Fascism.

The contrast between the attitude of Fascists and of Bolsheviks towards capitalism is thus stated by Pennachio in the ("Corporative State", pp. 16-17). "Fascism accepts the reality of the social division of men into classes and wishes only to change their organization and to modify and clarify their rights and their duties to the nation. Bolshevism wishes to destroy the social classes solely for the purpose of imposing the dictatorship of a single class, the proletariat. All this goes to show the chasm that separates the two revolutions and illustrates the broad basis on which the Fascist regime has been built."

Where Fascism has had its largest opportunity—in Italy—it has practically wiped out parliamentary democracy. The Italian Parliament is shorn of its powers. In its place is the General Council of the Fascist party, which is the real legislative and executive organ. Under the Electoral law of 1928, each of the thirteen national confederations sends in its allotted quota of the 800 names, that are submitted by the Grand Council of the Fascist Party. 400 of these 800 names selected by the Grand Council in consultation with the Ministry of Corporations; constitute the "official list" of candidates to be voted on by the members of all syndicates. The 400 names must be approved as a unit. If they are approved they constitute the new Parliament. If they are rejected, a new list of candidates must be compiled. The Fascist Party, composed theoretically of the elite of Italy, is thus the real governing body of the nation. And since membership in the party is rigidly restricted, the great mass of the Italian people are subject to a political regime in whose conduct they have no direct voice.

**The Fascists and the wage workers.**—Fascism distinguishes sharply between the wageworker and the class-conscious movement of the proletariat. It aims to conciliate the wageworker and to draw him into the Fascist movement. It aims to destroy root and branch the wage workers' class-conscious revolutionary organizations. The

official attitude of the Italian Fascists towards labour is described in a labour charter drawn up by Mussolini and his confreres, and promulgated April 21st 1927.

The central theme of this Labour Charter is stated in Articles I and II:—

Article I.—The Italian nation is an organism possessing a purpose, a life and instruments of action superior to those possessed by the individuals or groups of individuals who compose it. The nation is a moral, political and economic unity integrally embodied in the Fascist State.

Article II.—Labour in all its manifestations, whether mental, technical or manual, is a social duty. It is by virtue of this fact, and by virtue of this fact alone, that labour falls within the purview of the State. When considered from a national point of view, production in its manifold forms constitutes a unity, its many objectives coinciding and being generally definable as the well being of those who produce, and the development of national power.

The Labour Charter advances four propositions:—(1) that the State is superior to the individual; (2) that labour is a social duty; (3) that it is better to preserve individual initiative under a system of private property than it is to establish socialism, and (4) that economic life must be planned and controlled through corporations which constitute a branch of the State machinery. The charter was an after-thought, drawn up rather hastily to meet the storm of proletarian opposition that threatened the Italian Fascist Regime during 1925 and 1926. It outlines the policy of concessions to workers so long as they accept the Fascist dictatorship.

Fascism and the proletarian revolutionary movement are strongly antagonistic. Fascism builds on private property and profit economy. The proletarian class-conscious wage-workers aim to replace both institutions, by a socialized use economy. The success of one of these movements involves the destruction of the other. The Fascist road to power lies through the consolidation of the middle class, co-operation between the unified middle class and the ruling class; the winning over of vacillating working class elements, and a united attack against the organizations of the proletarian revolution.

**The Organization of Fascist Society.**—Fascist Society is built upon profit economy. It contains an owning class and a working class. It accepts exploitation. Despite revolutionary promises, Fascist Society does not differ essentially from any other phase of profit economy. Fascism, preserves private property and profit economy, but it has introduced two variants into the property code of 19th century Capitalism.

The first of these variants is the nationalization of railways, power plants and other public utilities necessary to national existence. This principle of nationalization has not been fully carried out even in Italy. On the other hand, the trend towards State capitalism is general in Western Europe. Governments are acquiring or investing heavily, in private enterprises and providing subsidies for shaky industries and insolvent banking institutions. The second variant in the private property principle is the duty owed by property owners to the nation. Under this variant, if a farm or mine or factory is unused or misused, the State may interfere and punish the property owner for his failure to make the best possible use of the property and thus to fulfil the social obligation he owes to the nation. Individual profit remains under Fascism as the chief incentive to economic activity. Fascist Society is therefore, a profit-motivated, acquisitive society in the same sense that Great Britain or the U.S.A. is acquisitive and profit driven.

**Class Collaboration.**—Fascist statesmen desire to bridge the gulf between exploiters and workers, while retaining the institutions of private property and profit. This they hope to do through a system of laws that aim to make exploiter and worker organic and subordinate parts of the Nation—State. Long before 1919, this movement towards capital-labour co-operation was begun in the collective bargaining between employer-associations and trade-unions. It was continued in post-War Germany under a system of legalized factory councils and labour arbiters with theoretical jurisdiction over all labour disputes. It appeared in Great Britain as "Mondism" developed through joint committees of the employers' associations and the Trade Union Congress. It reached its highest stage in Italy in the system of class-unity organs that comprise the Corporative State.

The Italian Labour Code and the Law of Corporations declare the nation to be above all classes. The State aims, not to represent a class, but to unify the population and thus to eliminate class conflict. To this end, bosses and workers are legally forbidden to engage in any class war. Strikes and lock-outs are alike out-lawed, and elaborate machinery is established for the arbitration of labour disputes.

The law of April 3rd, 1926, provides in Article 18 that: "Employers who close their factories, enterprises, and offices without justifiable reasons and for the sole object of compelling their employees to modify existing labour contracts, are punishable by a fine of from 10,000 to 1,00,000 lire.

"Employees and labourers who, in groups of three or more, cease work by agreement, or who work in such a manner as to disturb its continuity or regularity, in order to compel the employers to change the existing contracts are punishable by a fine of from 100 to a 1,000 lire." The same law contains a chapter headed "The Labour Court" and

reads as follows:—"All controversies concerning collective labour relations "are declared to fall" within the jurisdiction of the courts of appeal, functioning as labour courts". Under this law, neither Trade Unions nor Employers' Associations can take the law into their own hands. Each issue, as it arises, must be settled by arbitration. If that fails, the controversy goes to the appointed court. One enthusiastic convert to Fascism, the former Guildsman Odon Por hails this achievement of Fascism as epoch making. "Capital and labour will lose their class character" he writes in the year book of the International Centre of Fascist studies. "From the corporation will emerge not the capitalist and the proletarian, but the manager and employee of production. The class struggle has ceased and has been replaced by the State Verdict." (A Survey of Fascism, page 157).

Italian Fascism outlaws strikes and lock-outs but legalises the private ownership of capital and the accumulation of profit by the capitalist. Strikes and lock-outs are merely two aspects of a conflict which is rooted in the system of private property in production of goods and private profit from the exploitation of workers. Thus the causes of class struggle remain in Italy, although some of the superficial aspects are forbidden. Strikes of serious proportions occurred in Italy during 1923, 1924 and 1925, before the machinery of the Corporative State was in working order. Since that time, wages have been reduced, the hours of work have been extended, unemployment has increased, and standard of living of the wage-working masses has been lowered, and yet major labour disturbances have been rare occurrences. Official sources give the number of strikes as 238 for 1924, and 211 for 1925. The militancy displayed by the Italian workers during 1924 and 1925 led to vigorous government intervention. The results of this intervention appear in the Agreement of Vidoni Palace (October 2nd 1925) under which the Italian bosses officially recognized the Union of Fascist Syndicates as the representative of the workers; the workers officially recognized the General Confederation of Industry as the representative of the bosses; both agreed to submit disputes to a joint board and factory committees were dissolved. By this agreement the Fascist Trade Unions, which represented less than 20 per cent. of the workers, gained official recognition as the sole spokesmen for the wage-working masses.

How were such results achieved? Through a policy which unified the middle classes, strengthened the owning peasantry, and isolated the wage-working masses. During the revolutionary period from 1919 to 1921, many of the peasants stood with the workers for the overthrow of capitalism. To-day these peasant elements seem to have made common cause with the propertied and privileged. Italian Fascism has consolidated sufficient support behind its programme of class collaborations

under a unitary State to isolate the class conscious workers and compel them for the time being to accept its verdicts. The institution through which such results have been achieved is the legalized syndicate, functioning through the Ministry of Corporations.

**Syndicates and Corporations.**—A Fascist corporation is an organization of syndicates. Syndicates are legally recognized and chartered associations of employers of workers, and of intellectuals. Thus the corporation, functioning under the Ministry of corporations, is a part of the essential machinery of the Fascist State. The Charter of Labour describes the function of syndicates and corporations in Article 6:—

“The trade associations (syndicates) legally recognized guarantee equality before the law to employers and employees alike. They maintain discipline in labour and production and promote measures of efficiency in both. The corporations constitute the unifying organization of the elements of production (capital and labour) and represent the common interests of all. By virtue of this joint representation and since the interests of production are interests of the Nation, the corporations are recognized by law as organs of the State.”

Alfred Rocco is credited with the revival of the term “corporation and with stripping revolutionary implications away from syndicalism. This idea, Rocco said “is nothing but our ancient corporatism. The corporations, which were overthrown by the individualism of the natural rights philosophy and by the equalitarianism of the French Revolution may well live again in the social ideas of Italian Nationalism. In the corporations, we have not an absurd equality, but discipline and differences. In the corporations all participate in production, being associated in a genuine and fruitful fraternity of classes.”

The Italian Labour Charter (Article 3) provides that organization whether by trades or by syndicates is unrestricted, but only the syndicate legally recognized by the State and subject to the State control is empowered: (a) “To legally represent the particular division of employers or employees for which it has been formed.” (b) “To protect the interests of these as against the State or as against other trade organizations,” (c) “To negotiate collective labour contracts binding upon all those engaged in the branch in question ” and (d) “To levy assessments and to exercise, in connection with the branch specified functions of public import.”

Ten per cent. of the employers or workers in any field may organize a syndicate, secure legal recognition and speak and bargain in the name of the entire group. This last provision has made it possible for a small minority of Fascist workers to organize, secure official recognition and bargain in the name of the entire body of workers,



The system established in 1926 provided for 13 syndicates. These included a syndicate of employers and one of employees in industry, agriculture, in merchandizing, in maritime and air transport, in land transport and in inland navigation and in banking. The 13th Syndicate was that for intellectuals. By 1929, 3,798,000 employers, 8,048,000 employees and 143,000 intellectuals had enrolled.

The law of corporations (Article 42) provides for uniting "the national syndical organizations of the various factors of production, employers and manual workers, and intellectuals in a definite branch of production, or in one or more definite categories of enterprises. The organizations thus joined constitute a corporation. "Each corporation is established by a decree of the Ministry of Corporations." Besides the Ministry of corporations, created in 1923, there is a national council of corporations, created in 1926 and greatly strengthened by the law of March 20, 1930. The National council consists of about 100 members, representing the 13 national syndicates and certain government departments. The National Council is subdivided into sections: One for industry, one for agriculture, one for merchandising, one for marine and air transport, one for land transport and inland navigation one for banking, and one for the professions. As the powers of the council of corporations are extended, it takes on more and more of the character of a national planning council, with certain authority to control, veto and initiate economic policy.

Syndicalists have long urged that community life should be organized in economic rather than in geographic units. The National Council of corporations, therefore, gives Italian Government a definitely Syndicalist slant. The same form of organisation is continued through the entire corporative State of the Italian Fascists.

The Charter of Labour has been described as the constitution of a new, corporate Italian Society. "It declares that the nation is an organization having ends, life and means superior to those of the separate individuals or groups who compose it. The nation is a moral, political and economic unity integrally realized in the Fascist State. Labour in all forms, intellectual, technical and manual, is regarded as a social duty and, as such, is to be safeguarded by the State. The process of production is unitary from the national point of view, and its aims are summed up in the welfare of the producers and the growth of the national power. The corporative State of Italy thus assumes a position of totalitarianism, high above the State of Western liberalism. The Fascist programme called for a State strong enough and universal enough to stand above every separate interest of community, to be an end in itself and therefore, to outlaw the class war and adjudicate the issues to which the class war gave rise.

The Charter of Labour laid down that work was a "social duty", and that collective labour contracts were to be the concrete expression of the solidarity existing between the various factors of production. Secondly, that wages were to correspond with the normal demands of life, the possibilities of production and the output of labour (this clause dealing with the "living wage" has been increasingly enforced). Thirdly, that the worker has a right to a weekly day of rest which must fall on a Sunday, and an annual holiday with full pay (the annual holiday consists of one week, and a Saturday half holiday has now been established for most categories). Fourthly, that a bonus shall be paid on discharge calculated on the period of employment and rates of wages. Fifthly, that a worker shall not be discharged for sickness, provided it does not exceed a certain period (now fixed at four months). Sixthly, that labour exchanges shall be established, that compulsory insurance shall be extended (it is now in force for unemployment, tuberculosis, accidents and industrial diseases and old age pensions). Seventhly, that syndicates are to assist their members and non-members in all matters, specially in cases arising out of disputes about contracts or insurance.

Workers and employers are divided into four groups representing, on the broadest lines, the main activities of the country—agriculture, industry, commerce and banking and insurance, while a fifth group consists of professional workers. The organization is based on twin syndicates of workers and employers in each of the several branches and sub-divisions. These syndicates are affiliated to the confederations of which the provincial unions are the decentralised executive organs. In this way, there are twin confederations of employers and employed for agriculture, industry, commerce, and banking and insurance, while the confederation of professional workers stands alone. Both the federations and confederations are subject to the supervision of the Ministry of Corporations. Collective labour contracts, on broad lines for the entire country with subsidiary contracts for local conditions, are drawn up by agreement between the Federation of employers and employed. These contracts are submitted to the Ministry of Corporations for approval and publication, after which they are legally binding on both parties for the period stipulated. There is no compulsion on either employers or workers to join the syndicates, but as they automatically enjoy the same rights and privileges as members, all are required to pay the same contributions—workers one day's pay a year, employers one day's pay-roll.

The work of the syndicates does not end with the drawing up of the contracts and the protection of the rights of members collectively and individually. They are required to promote education and welfare

work and assist in the relief of unemployment. Under the new regulations the funds for the payment of the allowances are to be derived from contributions from the worker, his employer, and a subsidy from the State; the rate has been fixed at 3·5 per cent., 1 per cent. being paid by the worker and 2·5 per cent. by the employer.

In 1934, twenty-one category corporations were formed whose task is to regulate production as a whole. The corporations act (a) in an advisory capacity on all matters affecting the activity for which they are formed; (b) for the settlement by conciliation of trade disputes; (c) for regulating relations between the various activities represented on the corporation; (d) for determining conditions of apprenticeship; (e) for regulating and co-ordinating production; (f) for drawing up tariffs, regulating royalty-charges and rates for services and commodities sold to the public by companies or corporations operating under concessions such as water, gas, power, transport, etc.; (g) in an advisory capacity on collective contracts.

In the corporations, employers and employed meet on equal terms and in equal numbers; there are also technical experts and three members of the Fascist party whose duty is to watch the interests of the "consumer"—i.e., the nation as a whole. Through the machinery of the corporate State representatives of every profession, trade and occupation are called upon to play their part in building up the well-being of the country.

**Labour Exchanges.**—Under the law of 29th March 1928, labour exchanges are set up at the offices of the local workers' syndicate so that men or women seeking employment register according to their trade or occupation. The labour exchanges are controlled by a committee consisting in equal numbers of employers and workers appointed by their representative, syndicates, the chairman being the secretary of the local branch of the Fascist party. It should be explained that he is acting not as a representative of the party but as a neutral chairman in the interest of the community. The secretary of the workers' syndicate acts as secretary of the committee, as he is in the closest touch with the workers. Employers are legally bound to notify the appropriate exchange when any employee is dismissed or resigns, stating the reason, the type of work performed and the length of service. They must engage new workers through the exchanges, severe penalties being laid down for any infringement of this regulation.

Unemployed workers must register at the labour exchanges. This ensures that employers and those seeking work are put into immediate touch. There is, however, no compulsion that the employer must engage a particular worker. Through the figures supplied by the Syndicates and Federations, statistics are always available of the

incidence of unemployment and unemployment by category and district throughout the country. These figures are forwarded monthly to a central office in Rome; vacancies are immediately noticed and if they cannot be filled locally are offered to unemployed workers of the same category in other centres.

**Unemployment Insurance.**—Insurance against unemployment is compulsory for all workers between the ages of 16 and 65 with certain exceptions, the most important of which are agricultural workers, domestic servants, those employed in seasonal occupations of less than six months' duration. State and municipal employees, railway and transport workers are provided for under special insurance regulations. Employers and employed contribute in equal proportions, the rate depending on the amount of wages paid. Workers are entitled to a benefit of 3.75 lire a day and 50 centesimi for each child under 14 for 90 days, provided they have made a minimum of 48 weekly payments; and for a maximum period of 120 days in respect of 72 weekly payments.

**The Forty Hour Week.**—After consultation between the Confederations of Employers and Workers in Industry, a 40 hour week was introduced as an experiment in 1934 in order to increase employment. After it had been in existence for rather less than two years and had been proved to work satisfactorily, it was agreed to by the two confederations and the Government that the 40 hour week should be legally enacted. Overtime has been abolished except under strict regulation; the employment of women, juveniles and workers in receipt of pensions has been considerably reduced.

**Family Allowances.**—Labour must be remunerated with due regard to the normal requirements of life (Labour Charter) which obviously differ profoundly according to the family circumstances of the worker. The individual is no longer considered from the abstract point of view as an independent unit, but as a factor in the group in which he lives and works. This is the conception of labour, of the tie binding the worker to the group in which he lives and of family, trade and national solidarity which governs the application of the Italian system of family allowances. The credit for inaugurating family allowances belongs to the wool manufacturers of Diella. With the establishment of the 40 hour week it was decided to apply the principle to all industrial workers with children in order to compensate for the loss in wages. At first the allowance consisted of 4 lire for each child under 14 after the first, but it was found that the funds available made it possible to grant the allowances for all children under fourteen. After six months' experience it was discovered that while some provinces showed a considerable balance in hand, others had a

deficit, and it was decided that the funds should be administered on a national basis, the richer provinces helping the poorer.

As experience was gained further improvements were introduced. In the beginning only male workers were eligible for the allowance; it was then extended to women employed in industry with a child or children to support; it was found desirable to give the allowance to all workers, even if their hours exceeded 40 hours a week.

In the summer of 1936 the whole question of applying the same principle to other categories of workers was discussed. On August 1st, 1936, a new legislative decree laid down: (1) the removal of family allowances from the orbit of the collective agreement and the severance of their connection with the reduction in the weekly hours of work; (2) provision of a State contribution to the expenses of the scheme; (3) provision for the eventual extension of the measure with necessary adjustments to other categories of workers. The State contributes 50 centesimi a quarter for the cost of administration on every allowance paid.

The collective agreement concluded on 31st December, 1936, between the confederations commercial employers and employees came into effect on 1st January, 1937, and extended the family allowance system to 350,000 workers engaged in commerce. The ratio of contributions is the same as for industrial workers. This system had to be slightly modified before it could be applied to workers in banks, insurance companies and other black-coated workers.

Three large categories of workers being in receipt of family allowances, it was decided at the cabinet meeting in April 1937, that they should be extended to all wage-earners except those in receipt of large salaries, domestic servants and persons employed by public authorities for whom special family allowances are already in operation. The rate was fixed 3.50 lire per week for one child, and 6 lire for each child in families of four or more. This means that the largest and most important category of all—agricultural workers—now become entitled to family allowances. The resources of the family pension fund are derived from

- (a) a contribution paid by the firms;
- (b) a contribution paid by the workers and fixed at the annual rate of 60 lire payable in monthly instalments;
- (c) if necessary, a contribution from the State.

Workers whose annual earnings do not exceed 3,000 lire are exempt from the payment of contributions. Family allowances are also to be paid to workers who have parents dependent on them.

While the establishment of the corporative system definitely means the end of *laissez faire*, which in Fascist opinion is inseparably associated with decadent capitalism and outworn democracy, the Fascist government denies that it will mark the end of private initiative. The corporations, it is admitted, will function as State organs. The State itself, however, will intervene in economic activities only when the corporations have failed to harmonize conflicting economic interests, and will then act as the representative of the great unorganized mass of consumers—the collectivity of citizens. According to Mussolini, the corporations will function “under the Aegis of the State” for “the development of the wealth, political power and welfare of the Italian people.”

The effect of the corporative system on relations between capital and labour also raises a number of questions. Each corporation, when established, will be expected to make a study of the manufacturing cost of its product. It will then set a “fair price” which must assure a margin of profit for the employer and proper remuneration for the worker without overcharging the consumer. By its participation in the work of each corporation the group will exercise a predominant influence in the regulation of prices, profits and wages. At the present time relations between capital and labour are regulated by collective labour contracts. The Charter of Labour provides that each collective labour contract must cover the subject of labour discipline, period of probation, scale and payment of wages, hours of work, vacations and conditions of dismissal. No minimum wage is established by the Charter of Labour, which declares that wages in all cases must be determined by collective contracts. The government undertakes to collect and publish statistical data on conditions of work and production; the situation of the financial market and variations in the standard of living of the workers, which may serve as a criterion for the determination of wages.

Fascism thus repudiates the idea of the class struggle. Measures of class self-defence, such as strikes and lockouts are, therefore, strictly prohibited, and are subject to punishment by heavy fines. Should strikes and lockouts involve recourse to force, the participants are in all cases subject to imprisonment for a period of from one to two years. Suspension of public services is regarded as a crime against the State. In addition to telephone, telegraph, railways, gas, water and other necessities of modern life, public services are made to include the work of physicians, lawyers, engineers, architects, land surveyors and agricultural experts.

**Labour Courts.**—Workers and employers are obliged to resort to the procedure of conciliation or to the courts for the settlement of their

conflicts. The ministry of Corporations must always attempt to effect a reconciliation between opposing groups of workers and employers. Only when this procedure has failed can the dispute be submitted to a special section of one of Italy's 16 courts of appeals, acting as labour court. This section is composed of three magistrates and two citizens acquainted with the technical aspects of labour and production. The labour courts have jurisdiction over all collective, as distinguished from individual, conflicts between workers and employers. The verdicts of the labour courts are binding, and employers or workers who refuse to abide by them are subject to fine and imprisonment. Individual labour conflicts must be submitted to ordinary courts, assisted by two experts, one selected from the employers and one from the workers.

The majority of collective labour conflicts have so far been settled without recourse to the labour courts, either by special conciliation commissions provided for in certain collective contracts, or by the Ministry of corporations. Only two cases of national importance have been submitted to the labour courts. The first decided on July 28, 1927, involved the interpretation of a contract regarding the remuneration of workers in rice fields. The second, decided on January 28, 1928, concerned the interpretation establishing the scale of wages for workers in maritime transportation. In both the cases, the decision was in favour of the workers. The labour courts, while directly subject to the control of the government, are in general regarded as impartial by both workers and employers.

The corporative State, which is built around organized productive groups and which focusses them in its Ministry of Corporations, is thus prepared to fulfil the functions described in Article 9 of the Labour Charter: "The State intervenes in economic production only in cases where private initiative is lacking or insufficient or where political interests of the State are involved. Such intervention may take the form of supervision, of promotion, or of direct management." Syndicate, corporation, and corporative State are thus the institutions of an organized profit economy within the boundaries of a single nation. The corporative State in Italy is becoming "a single, national, centralized workshop" in the words of Schneider ("Making the Fascist State", page 212). He says: "The political and economic orders are being fused into the corporate State and government is frankly becoming political economy."

This idea of the corporative State as an avenue of escape from the chaos prevailing in Western Society is not confined to Italy. Germany under the guise of National Social Democracy had adopted Fascism to its own particular needs under the direction of Hitler. The strong State has numerous and powerful advocates in many western countries:

Mr. C. E. M. Joad, writing of the attitude of British Fascists (*Political Quarterly*, Vol. II, p. 93) gives their programme for the remodeling of Parliament as follows:—

“The model I have frequently heard suggested for the House of Commons is that of a meeting of the shareholders of a company, and the relation of members of parliament to the Government, that of shareholders to directors, with the qualification that the shareholders might meet not once but, say, half dozen times a year to receive and comment upon the directors’ reports. If the shareholders are sufficiently dissatisfied they pass a vote of censure, the directors resign and there is an election”.

The National Government organized in Great Britain in the summer of 1931 included conservative, liberal and labour leaders. They laid aside their differences and united to meet a national emergency by national action. From 1914 to 1919 a similar political truce was observed in most of the warring countries. Recently the new Deal of President Roosevelt in U.S.A. is a step in a similar direction. It has remained for Italian Fascists and German Nazis to realize this ideal by establishing the totalitarian States.

The merit of a totalitarian State like Italy or Germany lies among other features in doing away with a distinction between employer and employee, capital and labour and the need for legislation to regulate wages, while ensuring a reasonable measure of profit for the employer through tribunals of arbitration or labour courts. The totalitarian conception has been demonstrated to be possible and has been efficient in preventing industrial disputes, while keeping production up to the required level for national requirements.

Fascist spokesmen assert that the interests of workers and employers must never threaten the economic equilibrium of the State, and that syndical organization is justified on the ground that it maintains a just balance between the two groups. Fascism does not deny the existence of conflicts between workers and employers. It believes, however, that such conflicts, when permitted to develop, may cause incalculable injury to the State, and that they must in all cases be settled by resort not to violence, but to conciliation and judicial procedure. The class struggle, said Mussolini in 1923, is a luxury which a poor country like Italy cannot afford. He believes that only a long period of social peace will enable the country to overcome its natural inferiority. “Without this, we shall be irrevocably lost in the field of international competition.” His remarks are apt and fit in the conditions for India also to some extent.

**Criticism of Fascist Labour Policy.**—The general criticism directed against the Syndical and corporative organization established by the



Fascist government is that it replaces the free association of workers for the defence of their legitimate interests by a highly bureaucratised system subject to the control of the State, which in turn is ruled by a single political party. Anti-Fascists assert that the practical exclusion of all but legally recognized syndicates from participation in the economic life of the country forces both workers and employers to join these syndicates irrespective of the views they may hold regarding Fascism.

Collective labour contracts, it is argued, tend to perpetuate, rather than improve existing conditions of work, and to reduce the status of all workers, whatever their ability, to the same economic level. Critics of Fascism claim, moreover, that the labour courts in no sense achieve the practical results formerly attained by means of labour agitation and strikes, since their verdicts are dictated by Fascist interests, which do not necessarily coincide with those of the workers. Finally, it is claimed that the Fascist Syndical organization, highly centralized and subject to close supervision by government organs, prevents the development of leadership on the part of the workers, and this places them at a disadvantage in the class struggle which may eventually take place.

**Germany.**—The National Socialists under Hitler, have been in power and office for the last six years since 1933. They have ruthlessly suppressed all internal opposition to their regime by adopting the same measures of force and coercion which were adopted in Fascist Italy. Hitler has realized many of the essential planks in the Nazi programme. The complete unification of Germany with absolute centralization of power in the hands of the Reich government, stands out as Hitler's most important achievement. On the debit side, however, must be noted the suppression of all personal liberty and freedom of thought in the Reich. Furthermore, two major questions of future Nazi policy remain unanswered. As yet no steps have been taken to carry out the party programme and the promises of the leaders indicating that German 'Socialism' would be introduced which would benefit the masses of the workers. On the contrary, big industry in Nazi Germany appears to have retained its hold on the economic system of the country and the hard-won concessions gained by the trade unions and the Social Democrats have been vitiated to a large extent.

The official Nazi programme containing 25 points was first written by Godefried Feder in February 1920 and reads as follows:—

Article VII.—“We demand that the State be obliged to provide working and living possibilities for its citizens. If it is not possible to feed the entire population of the State, all members of foreign nations (non-citizens) must be expelled from the Reich at once.”

Article X.—“It must be the primary duty of every citizen to engage in productive work, whether in physical or intellectual fields. The

activities of individuals must not be such as to conflict with the general interest but, on the contrary must be for the common good". Therefore, we demand, (Article XI) "Abolition of all income acquired without work or trouble; destruction of the slavery to interest."

Article XIII.—"We demand the nationalization of all trusts."

Article XIV.—"We demand distribution of the profits of large industries."

Article XV.—"We demand an increase on a large scale in the care for the aged."

The most important tenets in the Nazi programme are those specifying that "the common welfare comes before individual welfare" and that "slavery to interest" must be abolished. Thus the aim of the Hitlerites is said to be the creation of order out of the chaos caused by "a government fighting against the people, party against party, parliament against government, workers against employer, consumer against producer." The cause of this state of affairs is the shattered, and false spiritual foundations of Society brought about by Marxists, capitalists, industrialists, and public leaders, all of whom are motivated by the same individualistic philosophy, *i.e.*, personal individual aggrandisement.

Although the Nazis have established a political totalitarian State, their economic measures have proved less radical in practice than in theory. Despite the fact that many of their economic theories and much of their campaign agitation was strongly anti-capitalist, the Nazis have tinkered with the existing economic system since Hitler came to power without fundamentally altering it. The trade unions have been abolished and a political organization, known as the Labour Front, has been substituted which supposedly represents capital and labour—all workers, manual and intellectual, including trade business, industry and the professions. The maintenance of social peace however, is in the hands of 13 Labour Trustees, who are political appointees of the Reich government and whose authority in regulating labour questions is virtually supreme. The trustees are empowered to watch over the rights of both labour and management, and special honour courts have been established as a further protection. In individual plants the manager or owner is now the leader of his employees, and the latter are officially designated as "followers"—The new German labour law which regulates the relation between capital and labour came into force on May, 1st, 1934. It is an attempt to apply the fundamental principles of Nazi socialism, namely, establishment of a classless State in which the welfare of society must prevail over individual welfare. Under this law strikes and lock-outs are virtually prohibited. "Malevolent incitation" on, the part of labour is classed as a violation of the social honour and is

punishable as such. Thus the workers have lost their right of collective bargaining and wage contracts, and their ultimate safeguard against the exploitation—the right to strike. Their well-being depends almost solely on the Labour Trustees, and the workers have no means of exerting pressure in defence of their rights although employers are in theory equally hampered in defending their interests against labour.

While relations between capital and labour have been fundamentally altered, no real changes have been effected in the structure of business and industry. The powerful employers' associations have been dissolved and a government decree of October 24th, 1934 has given the Labour Front some power to arbitrate in labour disputes. On the other hand, the "roof associations of business" set up in February, 1934 in an attempt to introduce the Nazi "principle of leadership" into business, was recognized by a government decree of December 4th, 1934, allowing private business, more freedom. The previous law had resulted merely in the establishment of complicated bureaucratic machinery which impeded rather than aided the functioning of private business. The Reich government, moreover, has recently limited cash dividends to 6 per cent. and all earnings over this amount must be diverted into a forced loan which will be administered by the Gold Discount Bank. Government control of business has become increasingly severe through rationing of raw materials, strict regulation of all foreign exchange transactions, and concentration of complete power over the economic and financial life of Reich in the hands of Dr. Schacht who combined the functions of president of the Reichs-Bank and Minister of economics till recently. Thus the Nazis are apparently trying to steer a middle course, with the result that both capital and labour are dissatisfied; their policy is tending more and more towards State capitalism. Dr. Schacht made a few minor concessions to the radicals, but these have been counter-balanced by moves to the Right, so that neither side is content.

In agriculture, however, the Nazis have introduced some fundamental structural changes, although the heavily indebted large estates have not been broken up, despite all previous promises. They have promulgated a measure known as the Hereditary Farms Law which is designed to transform the peasants into a "new nobility". The law applies to all estates less than 278 acres in area from which a family can secure a living. Nazi regulation of agriculture motivated partly by the force of economic circumstances and partly by the desire to realise Autarchy, *i.e.*, national self-sufficiency. It is a cardinal principle of National Socialism that the Reich must be made completely independent of the outside world for its food supply. Hitlerites know full well that slow starvation at home was one of the main reasons why Germany lost the Great War. They are determined now to rectify this error by intensifying German efforts towards national self-sufficiency.

Primarily, because of government work, creative schemes and intensive rearmament, Germany has been enjoying a moderate internal boom, most of the improvements being in industries manufacturing production goods. As a result, unemployment has markedly decreased. The total labour income, however, has increased only slightly and, measured in terms of real wages, has actually fallen, despite the fact that according to official figures more than  $3\frac{1}{2}$  million people have been put back to work. The fall in real wages is due to a decided increase in the cost of living, partly as a result of the poor harvest, partly because of Nazi agricultural and financial schemes, and partly through the raw material shortage.

## CHAPTER IV.

### LABOUR AND THE COLLECTIVIST STATE (RUSSIA).

In every age man has felt dissatisfied with his environments and has always longed for a better world to live in. Whenever a spirit of individualism came to pervade human affairs, there unmistakably arose a sense of dissatisfaction against the prevailing institutions, and schemes were propounded for a radical reorganization of Society, and this reorganization always took the collectivist trend. Thus the Sophist idea that "man is a measure of all things," resulted in Plato's collectivist State; the individualism of the Social Contract writers terminated in Rousseau's Collectivism which found its logical expression in the idealism of Hegel, Bradley, and Bosanquet; and the individualism of the 'economic man' of the 19th century directly led to the economic collectivism of socialistic thought, and even in our own age when people began to emphasize the individualism of "group existence" in our social life, we find the extreme collectivism taken up by the so-called Totalitarian State which has muzzled the "wild beast" of liberty in nearly all its phases so that its motto has come to be "Authority from above; responsibility from below."

**The Principles of Scientific Socialism.**—Karl Marx published in 1867 the first volume of his 'Capital' which became the Bible of Socialism in which he expounded the principles of that movement in a way that even to-day they remain unaltered or unadded, the nucleus of the so-called Revolutionary Socialism. These principles are three in number. His central doctrine, of course, is the Economic or the Materialistic Interpretation of History, by which he means to suggest that legal relations, forms of State, customs and manners, religion and philosophy are not the results of the progress of human mind as Hegel would have us believe. On the contrary, they have always been and are the results of the material conditions in which men have found themselves so, that the history of human development is nothing but a history of the struggle of classes in which the dominant class has always moulded the social institutions according to its interests. This takes us to his second doctrine—the doctrine of class war which means that the evolution of capital and industry has passed through several stages—the period of handicrafts, the period of manufactures, the period of great industry and lastly, in our own times, the period of the concentration of capital so that two antagonistic camps have come into being in our present day society—the camps of the 'haves' and 'have-nots' of which the latter

will rise in revolt and seize power to bring about the transformation. Thus we reach the third principle of Karl Marx—his labour theory of value which means that labour is the sole source of wealth and that the capitalist after paying wages to workers usurps the surplus value which is, therefore, his unearned income. In 1918, Marxian revolutionary Socialism was established in Russia. It is this which we associate with Lenin and which we call Bolshevism; for Lenin was not only its philosopher; he was also its chief guide. From the very beginning of his revolutionary career Lenin was an orthodox Marxist, and therefore, he may be regarded as the best exponent of revolutionary Socialism in modern times. He regards the State as the product of the irreconcilability of class antagonisms and therefore, believes that the liberation of the working class is impossible not only without a violent revolution, but also without the destruction of the apparatus of State power.

The chief apparatus of this oppressive State, no doubt, is its army and navy, for which taxes and State loans are exacted so that the State proves to be an Instrument for the exploitation of the oppressed classes. The whole State machine is, therefore, to be relegated, in the words of Hegels 'to the museum of antiquities'. This can only be done by a violent revolution of the proletariat which 'seizes State power, and then transforms the means of production into State property.

Twenty years have elapsed since the Soviet Union has been established—the first Socialist State in world history. She is still in the throes of a profound economic and social revolution. In face of innumerable handicaps, the Soviet government has unremittingly pursued the gigantic task of socialization and industrialization. It has had to rely almost exclusively on the country's own resources of capital and raw materials. It has had to employ on giant undertakings labour which lacks the technical experience and discipline of Western labour. The State, far from "withering away" as predicted by Marxist doctrine, has daily encroached more and more on the individual. The abolition of class distinction based on wealth, and the drastic social levelling intended to pave the way for the classless society of the future have failed to prevent class differentiations based on control of power.

The pace set by the Five Year Plans has been feverish, has created serious tension between workers and peasants, has strained the nerves of even the iron young generation, has resulted in startling contradictions. Side by side with sincere concern for the improvement of living conditions, care of mother and child, a new humanitarian spirit, one finds readiness to sacrifice human lives to the achievement of plans dictated from above. Twenty years of experiment has resulted in the firm establishment of State Socialism, *i.e.*, State control over industry, trade, transportation banking and ultimately agriculture. It is, therefore, particularly important to examine the political and economic

structure of a State, which for the first time in world history has undertaken to control and direct both production and distribution, in accordance with a clearly defined programme of social readjustment.

The founder and inspirer of this movement was Lenin, who combined an iron will and a profound knowledge of economic theory with a keen sense of political expediency, and whom neither defeat nor defection among his adherents could divert from preparation for the revolution. Born in 1870 of a family of well-to-do intellectuals, Lenin early in his youth discovered a life long source of inspiration in the writings of Karl Marx. Arrested in 1896 for revolutionary activities, and later deported to Siberia, he utilized his enforced leisure to analyze Russia's economic conditions in the light of Marxist doctrine. In 1900, he left Russia and settled in Zurich, where he founded a newspaper, *Iskra* (The Spark), which became the organ of the Bolsheviks. Except for a brief visit to Russia during the 1905 revolution, he remained abroad till 1917, immersed in studies which often appeared academic to his followers and practically isolated from direct contact with Russian workers.

He was, however, responsible for the Bolshevik coup d'état of November, 1917, which established the "dictatorship of the proletariat," under the communist party of which Lenin was the leader. By the terms of the constitution, recently adopted in 1936, the Union or federal government is entrusted not only with powers usually reserved to the central organs of a federation, *i.e.*, conduct of foreign affairs, national defence finance—but controls foreign and internal trade, and is authorised to establish a general plan of national economy, to formulate the general principles of education, to issue fundamental labour laws and to define the principles governing the development and use of land. These powers are vested in the All Union Congress of Soviets which according to the constitution, exercises 'supreme authority'. In practice, however, the congress delegates its legislative powers to a Central Executive Committee—which it elects, and its executive powers to a council of People's Commissars, appointed by the Central Executive Committee.

The political theory of the communist State may be briefly stated as follows:—

The capitalist system, itself founded on the ruins of feudalism, merely intensifies the class straggle by dividing Society into two irreconcilable camps—the bourgeoisie, which owns the means of production, and the proletariat, who must sell their labour, to gain a precarious livelihood. Capitalism, the thesis, calls into being its antithesis, organized labour, by introducing collective methods of production, strict industrial discipline and universal literacy—out of this conflict, according to Marx, a final synthesis—Classless Society or Communism, is evolved.

The development of the Soviet State during the last 20 years of its existence has, on the whole, followed the course indicated by Marxist doctrine. . . . The dictatorship of the proletariat, controlled by the communist Party, has socialized industry and over 80 per cent. of agriculture, and has transformed the State into a vast business enterprise operated by a hierarchy of Soviets which combine executive and legislative powers. During this period regarded as transitional, the class struggle, far from abating, has been intensified by the sharp distinction drawn between four main social classes: the proletariat workers and "poor" peasants, the "middle" peasants, potential allies of the proletariat, employees, and professional men, and the former "exploiters"—aristocrats, etc.

The proletariat composed of factory workers and farm labourers, is recognized as the ruling class, and is accorded various privileges with respect to food rations, housing, medical aid, recreation and education. This class, however, has not yet produced its own intelligentsia, and the government has consequently been forced to rely on the services of "bourgeoisie" technical experts, the majority of whom are non-communists and who are often suspected of nurturing counter revolutionary sentiments.

This class demarcation is (according to Western critics) the direct antithesis of democracy, but according to communists, it is an inevitable corollary of the transitional period, which must witness the final destruction of capitalist elements both in the economic system and in "the consciousness of men". Communist spokesmen declare that the progress of economic planning and the consequent growth of Socialism have already mitigated the class struggle, and predict the abolition of all classes under the second Five-year plan, scheduled to end in 1937. The fundamental political problem of the second Five-year Plan, in their opinion will be "the transformation" of all the working population of the country into conscious and active builders of classless Socialistic Society. The 'liquidation' of classes, however, will temporarily require an increase in the powers of the proletarian State, which as yet gives no signs of withering away.

**Liberty under the Soviets.**—The dictatorship of the proletariat, as prophesied by Marx and Lenin, has not abandoned the use of force during the period of Socialism, and the rights of all individuals, irrespective of class, have been subordinated to collective interests as interpreted by the communist party. Workers and technical experts are subject to "mobilization" and may be transferred at short notice from one week 'sector' of the industrial or agricultural 'front' to another. The right of association is granted only to professional or social groups which have the government's approval, and attempts to form non-communist political organizations or even independent communist factions



are promptly suppressed. The expression of unorthodox political or economic views is banned in schools and universities. The press, the radio, the publication of books are controlled solely by the Government. Even literature and art are judged less by their intrinsic quality than by their willingness to depict the class struggle.

Far from resenting these restrictions and the absence of rights of free association, and free press, the workers of Soviet Russia, seem to derive a real sense of power from the economic benefits which they receive and from their participation in innumerable conferences and elections. Control of political and economic life in the Soviet Union is centred in the hands of an organization, *i.e.*, the communist Party—the Soviet constitution does not however mention anything regarding the Communist Party. This Party—the only political group legally functioning in the country—is the ultimate source of power. The party formulates all important policies, which are then carried into effect by the administrative machinery. No conflict of authority can consequently arise between government and party, which are one and indivisible. The Communist Party numbers 2½ million members, half of whom are industrial workers, 20 per cent. peasants and the rest employees and intellectuals. Admission to the party is preceded by a period of probation, which is considerably larger for employees, intellectuals and peasants than for industrial workers. The candidate must be acquainted with the principles and objectives of the party—known as political grammar—before he is admitted. An increasingly large number of party members are now drawn from the young communists (*comsomal*) which has 5 million members between the ages of 14 and 23, and is in turn recruited from the pioneers, numbering 6,000,000 children between the ages of 10 and 16. This in turn is recruited from cubs—children between 6 and 10. The Communist Party, like the Fascist Party in Italy, may eventually become a self-perpetuating institution closed to all except those trained in communist principles since childhood. Should the party follow this course, it might easily develop the characteristics of a political aristocracy—at least until the entire population of the country has been found worthy of admission to communist ranks.

**Essential Basis of Soviet Communism.**—The sole object of business of every kind in every country except the U.S.S.R. is to produce profit for the owner. A business is deemed successful if it makes much profit. It is a failure if it makes no profit. In the Soviet Union profit-making is a criminal offence, punishable by imprisonment for a long term. What would elsewhere be called business is carried on in the U.S.S.R. by individuals receiving salaries or wages, without the motive or stimulus of profit, and also without its questionable guidance. The criminal offence of profit-making in the U.S.S.R. includes two

operations, *i.e.*, 'Speculation' or buying of commodities with the intention of selling them again at a higher price, and 'exploitation' meaning any hiring of any person (whatever the wage) for the purpose of selling the product of that person's labour for one employer's pecuniary advantage.

**Organization of Soviet Industry.**—Reconstruction of Russia's economic system along socialist lines has nowhere been so thorough-going as in industry, which constitutes the most important part of the 'Socialized Sector' of Soviet economy. Except for some handicrafts which are fast dwindling in importance, private industry does not exist in the Soviet Union. The State controls all natural resources and means of production. Soviet industries are operated under the direction of government departments which are responsible to the Council of Labour and Defence. Individual plants and undertakings are grouped into trusts which, in turn, are organized into over thirty so called combinations, such as coal, oil, rubber, agriculture, machinery, industrial machinery, and others. The combinations appoint the directors of the trusts, control the supply of raw materials assigned to these trusts, regulate the distribution of government credits among them, and assist the State Planning commission in the preparation of annual plans for their respective industries.

Under the first Five-year Plan, the efforts and resources of the Soviet State were concentrated in the development of heavy industrial factories devoted to the production of machinery. Soviet leaders believed that once the country was equipped with adequate facilities for the manufacture of means of production it would become independent of capitalist States, and could turn its attention to light industry—the production of consumers' goods. Heavy industry consequently made the greatest relative gains during the period 1928-1932, while light industry lagged behind.

This disparity between heavy and light industry explains the apparent paradox that while the Soviet Union reports constant industrial progress, the population continues to experience a serious shortage of such necessities as shoes, clothing, furniture and manufactured food-stuffs. Pressed for time in its race to attain and, if possible, surpass the technical level of capitalist States, the Soviet government has purposely postponed fulfilment of the Russian's rapidly increasing desire for a higher standard of living. The second Five-year Plan, however, envisages a slower pace of construction in heavy industry and devotes more attention to production of consumers' goods. A number of important industrial undertakings were completed under the first Five-year Plan and some more are being completed under the second Five-year Plan nearing its end now. They have thus created all over the country well-knit and self-sufficient industrial units which are linked

with neighbouring agricultural organizations into socialist communities in which workers and peasants could labour side by side for the welfare of Society as a whole.

The financing of Soviet industry has on the whole demonstrated the capacity of a socialistic State to accumulate capital. For its capital the government draws on both social and private sources. The principal channels of social accumulation are taxation—direct and indirect, national and local—and the resources accumulated by the “Socialized Sector”—industries and State farms. Each trust retains a little over 50 per cent. of its profits for capital expansion, improvement of the workers’ living conditions and other purposes, the balance going into the State treasury.

The distinction between social and private saving is somewhat tenuous in the Soviet union. Private savings are effected primarily through State loans, purchased for the most part by workers usually through a ‘voluntary’ deduction of wages; purchase of shares in co-operative organizations, which is practically obligatory; and deposits in savings banks, all of which are controlled by the State.

**Balance Sheet of Socialized Industry.**—State operation of industry in the Soviet Union has revealed distinct advantages as well as notable flaws. Single control of industry has permitted standardization of goods and methods of production, and concentration of production in the more efficient plants. It has eliminated the costs inherent in a competitive system such as advertising, the gains of the middle man, and other over-head items. It has shown that State control of industry need not inevitably develop into a stifling form of paternalism, and has increasingly emphasized the importance of individual initiative and responsibility in industrial management. On the other side of the ledger, State control has not yet insured a high degree of efficiency, has not materially improved the quality of goods or reduced the cost of production, and has not succeeded in raising the standard of living to the desired level. It has fostered the growth of bureaucracy in industrial administration, thus leading to mismanagement and serious delays. Economic plans, moreover, have frequently been subordinated to political considerations.

From the point of view of the Soviet government, however, the success of industrial planning and of State control over industry is to be measured not by qualitative or even quantitative standards, but by the progress made toward the establishment of Socialism. The first aim of Soviet leaders is not to find a social system under which all men can immediately satisfy their material needs, but to abolish economic conditions favourable to the re-appearance of capitalism and create conditions of production and distribution which will assure the triumph of Socialism and the gradual disappearance of a class Society.

**Problems of Labour and Management.**—The industrial plants completed since the inauguration of the Five-year Plan have encountered a number of vital obstacles, and many of them have not yet been utilized to their full planned capacity. Soviet leaders have discovered that it is far easier to build factories, especially with the assistance of foreign experts and foreign blueprints, than to operate them efficiently. Of the difficulties which have confronted Soviet industry—shortage of raw materials disorganized and inadequate transportation, etc., perhaps the most serious have been high labour turn-over and scarcity of loyal executives and technicians.

Until 1929, when the government embarked on intensive industrialization and agricultural collectivization, the Soviet Union had over a million unemployed registered on its labour exchanges. Since that time unemployment has steadily declined and to-day, unlike many Western States, the Soviet Union suffers not from unemployment but from a shortage of labour. This statement, however, requires qualification; disfranchised persons, who probably total about 8,000,000 are not usually permitted to work in State enterprises, and unemployment of a political or punitive character still exists in the Soviet Union. Foreign experts, moreover, contend that labour shortage is due to inefficiency—two or three Soviet workers being employed at a task which one worker could handle in Western Europe—and insufficient mechanization of Soviet industry. The Soviet government has sought to remedy the situation by stressing the importance of increased labour productivity, and by mechanizing the more difficult labour processes. The Soviet Union, now passing through an industrial boom comparable to that of the U.S.A. in the 19th century, has not yet been confronted with the labour problems of a highly developed industrial State. It is consequently too early to assert that the Soviet government has found a permanent solution for unemployment.

Soviet industry has also suffered from an extraordinary labour turn-over, which in 1933 reached 100 per cent. in the more dangerous industries, notably coal mining. Workers drift constantly from one factory and region to another in search of better food and housing, thus disrupting industrial production. The Soviet government has adopted various methods to check labour turn-over. It has attempted to improve living conditions in industrial centres. It has frequently cancelled the bread cards of workers who leave their jobs. Most important of all, it has recognized that non-material stimuli, such as inter-factory competitions, are not sufficient to arouse the enthusiasm of the average worker, who must be offered material incentives, if he is to remain at his post. Soviet leaders have consequently stressed the importance of a different wage-scale, of piece-work and bonuses. They argue that at the present stage of Socialism it would be Utopian to apply the com-

maximistic principle "from each according to his ability and to each according to his needs", and that material rewards must be widely used to encourage individual skill and initiative.

**Soviet Wages.**—Critics of the Soviet system declare that the Soviet government—the sole employer in the country—pays the workers starvation wages, and is consequently in a position to export its products at "dumping" prices. Wide variations in the standard of living of different countries, as well as in the cost of food, housing and other items of the worker's budget, make wage comparisons extremely hazardous. The average wage of the Soviet worker has been rising since 1928, and the ambitious worker may increase his earnings by means of piecework and bonuses. The Soviet government asserts, moreover, that in addition to his nominal wages, the worker receives "socialized wages" which include social insurance, vacations on full pay and, in some cases free, housing, light and fuel. While Soviet nominal wages have followed a rising curve, the cost of food rations in government stores and factory 'closed shops' has steadily increased, and workers still find it difficult to obtain many necessities of life except in the open market, where exorbitant prices prevail. The real wages of the Soviet worker in terms of purchasing power are thus frequently much lower than his nominal wages. While the cost of food and other consumers' goods remain high, rents in the Soviet Union are relatively low. Housing, however, is as yet wholly inadequate, both in old cities like Moscow, which suffer from overcrowding, and in new industrial centres where housing has not kept pace with the influx of workers. New apartment houses erected for workers are built along utilitarian lines, and furnished with such modern conveniences as baths, gas, and electricity. These houses are usually equipped with common dining rooms, kitchens, laundries, and nurseries. It is hoped that the introduction of modern labour saving devices will liberate women from their age-old slavery to house keeping and child-rearing, and free them for work in factories and offices. The new houses also contain common rooms for reading and recreation, where the workers may spend their leisure hours. Provision, however, is made for those, who desire privacy in family life.

Creches are provided for children and State nurseries look after the children, while the mothers are at work in factories and workshops. Each big factory is required to provide such conveniences, while during the mid-day rest there are big restaurants in each factory, where workers can get a meal according to their tastes and ability to pay. Cinemas and rest homes are provided by the State for workers to spend their leisure in educating themselves. After every five days of work, the sixth day is declared a holiday with pay, when workers can recuperate in the Rest Homes provided free of charge by the State. The various social services, which are now mostly administered by the trade unions

themselves without any individual insurance payment by the workmen are more extensive and more costly than those of Great Britain or any other country. There has been no involuntary mass unemployment since 1930 among able-bodied men and women throughout Russia. The trade unions and local authorities undertake to find a job within his or her capacity, at trade union rates of wages; for every applicant or in the alternative, for young people, to admit them to training for skilled work with maintenance until qualified.

It is true, however, that the aggregate wealth production in the U.S.S.R. is not as great as that in U.K. or the U.S.A., that even the amount of income per head is as great as in the U.S.A. or U.K. But the aggregate product is less unequally shared. Even so it would be difficult to prove that the average Russian mechanic or factory operative, agricultural worker or fisherman is as well off as his British or American colleague when in regular employment. But the Russian wage earner is clearly better off, both materially and culturally, than he has ever been before, and his condition is still rapidly improving. There is indeed good reason to expect that, within another decade, the inhabitants of the U.S.S.R. will be on the average distinctly better off than the average wage earner in the U.K. or the U.S.A.

**Soviet Labour—Free or Forced**—Observers hostile to the Soviet system contend that Soviet labour is not only under-paid, but is 'forced' or at best involuntary. The Soviet government, it is true, has frequently asserted that work is the duty of all citizens, and that "he who does not work shall not eat" that some 'forced' labour, similar to convict labour in India and other countries, exists in the Soviet Union, is generally admitted. It is a matter of common knowledge that "socially hostile" elements—engineers convicted of sabotage, embezzlers of State property, and ordinary criminals—have been exiled to North Russia and Siberia, where they are employed in lumber camps and on such undertakings as the construction of a canal between the White and Baltic Seas, which was completed in June, 1933. This labour, supervised by the O.G.P.U. is regarded by Soviet authorities as a process of "re-education" and it is claimed that many hardened individuals formerly hostile to the Soviet State have returned to normal life fired with enthusiasm for Socialism.

The forced labour of political and other criminals, however, constitutes a small percentage of the country's total labour. Generally speaking, Soviet labour conditions are not easily comparable with those of Western States. The Soviet government is the sole employer of labour and determines all wages, which are fixed under non-competitive conditions. The tremendous efforts required by the Five-year Plan have created an economic tension similar to that of war, and have led to applications of vigorous labour discipline. The government regards

workers and technical experts as servants of the State and transfers them from one part of the country to another to meet industrial emergencies. That these methods have not resulted in the creation of 'forced' labour is perhaps most clearly demonstrated by the continuance of a high labour turn-over.

Soviet authorities contend that the Soviet worker enjoys more favourable working conditions than his Western prototype. The government, it is true, has introduced an eight and in some industries a seven hour day, as well as a five day week. Every sixth day is a holiday throughout the Soviet Union. The workers' leisure, however, is sometimes curtailed by the demand that he contribute his periods of rest to overtime work on urgent projects. Many workers especially members of the communist party, are doubtless not only willing but eager to advance production by sacrificing their leisure. The rank and file are influenced less by enthusiasm for the common cause than by pressure of public opinion. To stimulate their interest, the government encourages competitions between brigades of workers in the same factory, as well as between various factors and industries. The names of lagging workers and enterprises are ignominiously posted on black boards, while red boards of honour commemorate workers and factories exceeding the quota, and various distinctions, from official telegrams of congratulation to the Order of Lenin,—the highest civil decoration, are bestowed on "heroes of the Five-year Plan."

**Soviet Managers and Experts.**—The task of securing able and loyal experts for Soviet industry has raised a number of problems. Many managers and technical experts of the old regime who remained in Russia after the revolution were ousted from their posts and shorn of the privileges they had once enjoyed. They were not unnaturally, hostile to the Soviet system, and hoped that foreign intervention might eventually restore capitalism. Some of them remained in touch with their former employers, living abroad in exile, and some at least sought to retard or prevent the development of Soviet industry. The government and workers, in turn, feared and distrusted these henchmen of the hated bourgeoisie. Engineers were constantly denounced as counter-revolutionaries and "wreckers" even when their alleged crimes were no more than a mistake in judgment or a technical miscalculation. This mutual hostility led to a dangerous dead-lock. The engineers were reluctant to take initiative or responsibility, for fear they might be imprisoned or shot in case of failure, while the government found it impossible to create a corps of working class technicians overnight and was forced to rely on bourgeois engineers it did not trust. The Shakta trial in 1928 and the Ramzin trial three years later, revealed some of the difficulties of the situation. The mildness of the sentences imposed on Ramzin and his alleged accomplices—imprisonment with an oppor-

tunity to work at their tasks during the prison time—indicated both that the government felt sufficiently strong to be generous with its enemies, and that it was eager to utilize their services.

This policy has since received wide application. In 1931 Stalin declared that, pending the emergence of a working class intelligentsia, Soviet industry should use the services of the engineers of the old regime who, in his opinion, were more willing to co-operate with the government than in the past, and should no longer be treated as potential criminals. Stalin's declaration was followed by concrete measures for improving the lot of the Soviet engineer. Rewards for technical skill and scientific management have been considerably increased and technical experts now usually receive the same privileges as the highest category of workers with respect to food rations, housing, vacations and education for their children. Soviet leaders constantly urge closer collaboration between workers and engineers, and declare that the latter should feel free to take the initiative without fear of punishment for technical errors. The government has recognized the fact that rapid construction and efficient management of large scale enterprises calls not only for revolutionary zeal, but for specialized training. It is confident that the old engineers, and the new working class specialists will loyally co-operate with the workers, and will not seek to form a new bourgeoisie.

**Soviet Trade Unions.**—With the adoption of the New Economic Policy (N.E.P.) in 1921, the return of private trade, and the reorganisation of the governmental industry, the Trade Unions altered their functions considerably. They turned themselves from virtual managers of industry into defenders and protectors of the worker's rights as against those of private employers as well as against bureaucratic tendencies in the State industries. Some of the changes that took place as a result of the N.E.P. were the following:—

The Unions became economic collaborators and advisers but without any direct responsibility in the management of industry. They were represented, however, on "committees for drafting the programmes of the economic organisations.....the designations of undertakings to form part of a trust.....or to be leased, foreign business relations, the determination of branches of industry in which private capital may be admitted to Russian industry." (Joint statement issued by the All Russian Council of Trade Unions and the Supreme Economic Council in November 1921). In other words, the unions were to maintain the same general interest in economic matters while giving up the very broad powers they had possessed before in this domain, during the period of war communism.



With the decrease in the economic functions and their growing importance as independent protective organisations, the unions are compelled to rely solely on membership dues and contributions to sustain their regular budget. At the same time they instituted the present system of voluntary collective bargaining whereby collective agreements are made after a period of negotiation between the union and the employing State trust or private enterprise.

The introduction of the N.E.P. also resulted in the transfer of other functions previously performed by the unions. The Commissariat of Labour, for example, took over the legislative powers of labour protection as well as the administration of labour legislation. It also resumed the role of chief arbitrator in labour disputes. Likewise, the unions from then on, acted only in a consultative capacity to the Commissariat of Education. In general it may be said that the unions were denationalized and no longer formed a part of the machinery of the State. Being thus declared free, independent and autonomous bodies, their legal status was redefined in section XV of the Labour Code of 1922. This section deals with the place the unions occupy in the economic life of the country and reads as follows:—

“The Unions may appear before the various authorities in the name of the wage earners as parties to collective agreements.” They are not liable to registration by the State but only with the central inter-union federations already in existence. It provides that the unions shall have certain services furnished them by the State, such as Labour Palaces (as in Moscow) and specified postal, telephone and transport facilities. Other instructions in the Code concern the organisation of shop committees, the union's relation to collective agreements, work contracts, rules of employment, standards of output, hours of work, rest periods, apprenticeships, remuneration, settlement of disputes and other matters. In general this Labour Code defined the position and rights of the unions under the N.E.P., and laid the basis for the steady development in their power and influence acquired by them since 1922.

In the transition from war communism to the N.E.P., there was controversy in government, party and trade union circles concerning the role of the unions under the new regime. Trotsky and certain element in the unions fought to keep them a part of the government apparatus. Lenin, on the other hand, seeing the conflicts implicit in the new economic regime, advocated the management of the industries by the technical men appointed by the State trusts. The unions, he argued, would have their hands full for a while, at least, defending the interests of the workers both against bureaucracy in the trusts and exploitation by the private “Nepmen”. The Unions he said, should be independent of governmental machinery and devote their primary attention to guarding the workers' interests as workers. This position was set forth

clearly in December 1921, in a statement prepared by a commission of which Lenin was a member. It said:—

“On the Trade Union, in relation to socialized concerns, rests the absolute duty to safeguard interests of the workers to assist in every way possible the improvement of the material conditions, and constantly to rectify the faults and exaggerations of economic bodies in so far as they proceed from a bureaucratic perversion of the machinery of the State.”

This was the policy at the beginning of the N.E.P., and it is still the essential policy of the Russian trade unions. The remarkable economic development of the country since that date, and the growth in the unions, has not materially modified it.

In 1934, Russia had 22½ millions enrolled in Trade Unions out of a total population of 144 millions. Approximately 93 per cent. of the eligible manual and non-manual workers of the country are included in the membership of the 23 industrial unions. The basic unit of the Russian trade union is in the factory, the local union with its headquarters provided by the industry. The fabkoms or factory workshop committees are established in all enterprises employing more than 25 workers. The fabkom is a growing force in the Soviet Union. It brings workers not only into the unions but into the whole economic activity of the country. It is the primary organ of workers' democracy in a government and an industrial system operated for and by workers. In no other country does this type of workers' council, have such varied and important functions. There are about 50,000 fabkoms representing a total union membership of about 7 millions or about 70 per cent. of all the trade union members in the country. Factory delegates are chosen by the workers in large factories having more than 200 workers. In the larger factories one finds also what are known as departmental bureaus. These bureaus are simply a group of workers elected at a departmental meeting, their purpose being to help the fabkom carry out its work in a given department.

At the top of this pyramid of “Democratic” centralism, the All Russian Central Council of Trade Unions or C.C.T.U., which is elected at an All-Union Congress meeting every two years. This Congress is the supreme authority in the trade union movement. It is the final and highest trade union body in Russia. The 1,300 delegates to the Congress are elected directly by factories and institutions. The ratio is one delegate for every 10,000 members. Elections of delegates to trade union congresses are held directly. The headquarters of the C.C.T.U. is together with the central committees of the 23 national Unions, in the Labour Palace in Moscow. The constitution of the C.C.T.U. states that (a) The C.C.T.U. shall represent the pro-

letariat organised in trade unions in all governmental and public organisations and institutions and (b) It shall draft all legislation for the defence of the economic and cultural educational interests of the trade unionists, and shall take measures to have these bills passed by the competent government departments.

Making collective agreements with the boss either the State boss or private boss is one of the chief jobs of the Soviet trade unions. Most of the bosses are governmental corporations or trusts. A few of them are private owners. The Labour Code of Soviet Russia provides that the terms of any collective agreement shall apply to all persons employed by the enterprise, whether they are members of the Union or not. The fixing of the wages in Soviet Russia is determined annually in advance by the State Economic Planning Commission (Gosplan) in consultation with the trade unions, fixing specific amounts for each industry.

**Criticism of Organized Labour under the Soviets.**—Every Soviet wage earner belongs to a trade union. But the Soviet trade unions do not resemble the British or American trade unions. Though membership in them is compulsory, the trade unions mean more to the employer—in this instance, the Government, than they do to the workers. Soviet trade unions are merely a form of labour exchange or government employment bureaus. They cannot call strikes, as strikes are a crime in Soviet Russia and strikers are shot down by the communist militia, as they were in the Donetz coal basin in 1930. During the last three years, Stakhanovism, the celebrated piece work speed up system, has completely wiped out the official code of hours and wages.

The trade union representatives are really everywhere in the Government and even in the central committee of the Communist Party. Herein lies the mischief, because their presence in the Government, which in Russia is the employer, is detrimental to the interests of labour. The trade union representatives are Government appointees and owe allegiance to Stalin and not to their labour constituencies. Factory inspection and sanitation are among the most urgent problems in Soviet Russia. These functions are entrusted to the trade Unions in Russia and in doing so, the Government thrusts upon them an obligation which in other countries belongs to the Government. The sphere of activities of the Russian Unions to-day comprises insurance, factory inspection, sanitation and general welfare. Towards the budget of these activities, the trade union members contribute 2 per cent. of their wages. This comes to a considerable amount as the 22½ million trade union members (1934) have to contribute 2 per cent. of their wages for this purpose. Nevertheless working conditions are not satisfactory as may be seen from a complaint of the labour leaders at the meeting of the Central Trade Union Council in March, 1937, when

they confessed that "the trade unions neglect their duty to protect the workers and enforce safety regulations". Under the shadow of the O.G.P.U., the trade unions cannot function satisfactorily.

We may close this chapter with a quotation from Anna Louise Strong, an American who has lived in Russia for many years and who has paid special attention to the trade unions. She writes: "No where else in the world have the workers such freedom of discussion regarding their jobs and the industry in which they take part." The Russian worker demands more because he has an increasing sense of power and possession and rulership. He is the "governing class" and he knows it. And he lives nearer to a condition that might be described as "industrial democracy" than does any organised group of workers. anywhere in the world to-day.

## CHAPTER V.

### TRADE UNIONISM, SYNDICALISM AND GUILD SOCIALISM.

In every modern State, the industrial system has forced the working class to organize. Trade Unionism is the necessary product of the Industrial Revolution, and the Socialist Movement the inevitable answer to the capitalist organisation of society. In one sense, the trade union movement is merely defensive and protective; it aims merely at maintaining or improving the workers' standard of life within the existing economic order. The Industrial Revolution was one of the greatest acts of dispossession in history. "The story of that dispossession is told with graphic power, in Mr. and Mrs. Hammond's two great books "The Village Labourer" and "The Town Labourer". They show us the enclosures as the dispossession of the villager, the creation of factory industry as the dispossession of the industrial worker. It is admitted that both these processes of dispossession resulted in an enormous increase in productive capacity and in the actual production of wealth; but it is none the less true that they took away from the ordinary worker his independence and his status as a free producer. The factory system destroyed this independence and this status. The writings of William Cobbet and the history of the Chartist Movement prove this point clearly and also the feeling of the dependence of the poor upon the rich.

Since the Industrial Revolution, labour has occupied, not merely a dependent status, but a status which is deadening to the sense of freedom and responsibility. The workshop or factory of to-day is essentially an inhuman place. The average factory is still a place in which no sane man would elect to spend even the smallest part of his day. In many cases, especially in India, it is draughty, inconvenient, ill-lighted devoid of human comfort and often monstrously inefficient for the actual business of production. In Europe in some cases, it may have all the finest hygienic qualities. Even if it is so equipped, it is still, as a rule an inhuman place in which no man would like to spend the best part of his life.

A fundamental consequence of the Industrial Revolution was the differentiation of capital and labour, and the development or accentuation of sharp antagonisms between the two. It is from the factory system of the 19th century that one must date that intensity of economic stress and that keenness of class conflict which characterised European Society for the past century or more. It stimulated, in the ranks of labour,

the growth of class consciousness. It rendered necessary the organization of labour for its own protection. Impelled by low wages, high prices, long hours and other disadvantageous conditions, the factory operatives began by 1815, to seek by concerted action to induce or compel the amelioration of industrial conditions which they deemed specially unsatisfactory. In the beginning the lot of the working classes was being improved by legislation sponsored by reformers who were not themselves labourers; as is the case in India till recently. But progress was exceedingly slow, and labour chose not to depend upon this resource alone. Rather it chose to organise, in order to be able to advocate more effectively the acceleration of State action, to negotiate on equal terms with organised capital, and to promote the conservation of its own energies. Of the several agencies through which it has sought to defend and propagate its interests, two are of principal importance. The older and more efficacious is the trade union. The second, closely related is the political party, *i.e.*, Labour Party. If a third were to be mentioned, it would be the co-operative production and distribution of goods. The trade union is essentially a modern institution. It differs from the mediaeval guild in a number of ways, principally in being an organisation exclusively of employees, formed to protect one class of persons engaged in industry against another class, whereas the guild was an organization of craftsman, who were at the same time employers and workmen, and had as its object the protection and regulation of the craft as a whole. The trade union was clearly a product of the Industrial Revolution. As Shadwell has remarked "the factory made it (the union) possible and the conditions of the factory made it necessary". Both the factory and the union are, in the main, contributions of England to the industrial world.

Before, however, the trade union could assume the character which it bears to-day, it was necessary that there be brought about an extensive modification of English law. With unimportant exceptions, combinations of labour were contrary in the first place, to the principles of English common law. They were regarded as conspiracies in restraint of trade and persons concerned in them were liable to criminal prosecution. As individuals, workmen might lawfully consent to labour or refuse to labour under any conditions, they liked, but when two or more entered into combination to control wages or to restrict hours, whether by violent or pacific means, they made themselves liable to fine and imprisonment. It is true that it was equally illegal for two or more employers to combine to control the industry in which they were interested. But it was upon the employees, almost exclusively, that the law was enforced. In summary, under the laws in operation during the first two decades of the 19th century, it was a penal offence for labourers: (1) to agree to work only for a certain wage or to work

only at certain hours or times; (2) to form any combination to obtain an advance of wages, to alter the hours of work, or to decrease the quantity of work; (3) to seek to persuade any person from hiring himself to any manufacturer, tradesman, or other person or to leave the employ of such person; and (4) to summon, be present at, or give support to any meeting for the purpose of making any contract or agreement, regarding wages, hours, or other conditions of labour. The law, it is true, pronounced void all contracts between master and others for reducing wages, adding to or altering the usual hours of labour, or increasing the quantity of work. But these provisions seem to have been devised mainly to give an appearance of fairness. No instances of their enforcement are on record.

All the Statutes aimed at labour association or combination, and restraints against the labourer in his individual capacity were not repealed till 1875, though the laws in restraint of labour combinations were modified in 1824. The organization of labour is a phase of development in which Great Britain has most clearly led the world. The British trade unions are the oldest and the strongest in Europe and they have served as models which in many countries, including India and the U.S.A., have been followed closely or reproduced outright. This is the reason why we will discuss in this chapter the trade union movement in England.

**Development of Trade Unions.**—The general history of trade unionism may be summed up as the history of a movement towards wider and wider unison of the wage earners, but a movement in which too hasty progress towards the desired end has been continually followed by reaction. Great Britain at the beginning of the 19th century was still a country of undeveloped means of communication. Hence the trade unions of the 18th century and the first two decades of the 19th century were commonly local rather than national, and unions of men in a particular craft rather than unions of labourers generally or of all the varieties of craftsmen, engaged in a particular sort of industry. Out of these small local trade clubs which grew up (as pointed out by Mrs. and Mr. Sidney Webb) largely out of the practice of fellow craftsmen using the same public house as a "house of call", *i.e.*, as a sort of informal employment registry, it was theoretically possible for a general combination of all workers of a particular industrial centre to be formed; but as a matter of fact the other possible development has been the one which has taken place in Britain. The barriers between crafts have proved more insurmountable than those of place. From the local unions have grown up national unions, which may even have branches in distant colonies, and it is through the federation of the national unions that the organisations of labour have made such progress as has

been attained towards the theoretical ideal of the national combination of all workers and all trades and crafts.

In 1824 the small trade club was still the dominating type of union; though national unions were beginning to be formed. These trade unions were banned by the law. They were regarded as being fundamentally illegal on the ground that their very object was the restraint of trade. In addition, the Combination Acts of 1799 and 1800 expressly prohibited any sort of combination of workmen. The law was freely used to checkmate strikes and to ward off the demands for better conditions. It appears that the special motive for legislation in 1799 was the new effort at combination among the textile operatives of Lancashire and Yorkshire. Prosecutions were numerous. A typical case was that of the Scottish weavers. In 1811 certain cotton weavers had been convicted of combination and imprisoned the judge observing that the magistrates had full power to fix rates of wages. In 1812 many of the employers refused to accept the rates fixed by the justices for weaving, and all the weavers between Aberdeen and Carlyle struck to enforce the justices' rates. When a satisfactory settlement appeared imminent, the Weavers' central committee of five was arrested by the government and its members sentenced to terms of imprisonment varying from 4 to 18 months. In 1819, due to the efforts of Robert Owen, a law was passed prohibiting the employment of children in factories under the age of nine, and required no evidence that that age had been reached. It left unregulated the hours of labour of young persons between 16 and 18, and allowed those from 9 to 16 years of age to work 12 hours per day. Worst of all, it still left inspection of factories to the amateur efforts of the J. P.'s.

**Legislation of Trade Unions.**—In 1824, Francis Place, now retired from business as a tailor in Charing Cross, thought that the opportunity had come for carrying out a project which he had proposed to himself during the previous ten years, the repeal of all legal restrictions upon the right of combination. Through his favourite pupil, Joseph Hume, he succeeded in bringing influence to bear upon Huskisson to secure the passage of an Act which not only repealed the laws of 1799 and 1800, but also overrode the common law presumption of the illegality of trade unionism. This was done quietly, without assistance from the workers' organisations. In fact, the Bill passed through both Houses without debate or division as Place remarked, almost without the notice of members within or newspapers without. Actually some Lancashire magistrates sentenced cotton weavers to imprisonment for combination some time after combination had ceased to be a crime. But as soon as men began to realise what had happened, new combinations sprang up rapidly into existence and old combinations into fresh activity, to take advantage of their new position in the law and of the boom in trade,



According to the *Sheffield Mercury* (Oct. 8, 1825) almost the whole body of mechanics in the kingdom had combined in the general resolution to impose terms on their employers.

Naturally reaction followed. Shipowners, already marked by that hostility to trade unionism which has characterised them ever since, demanded a committee for inquiry into the conduct of the workmen and the effect of the Act of 1824. The shipowners were virtually defeated, and the Act of 1825, while repealing that of 1824, did nevertheless allow combinations to exist for the purpose of raising wages and shortening hours of labour. An Act passed in 1831, prohibited night work for all under 21 years of age, and raised the age for the young persons prohibited from working over 12 hours a day to eighteen years.

**Effect of Legislation.**—The trade unionists themselves looked at the matter from a different angle. They were disposed, perhaps to over-estimate the immediate advantage that accrued to them by the partial legislation of their combinations in 1825. They had suffered so much from the paralysing of their activities by the imprisonment of their leaders that they scarcely realised how strong were the purely economic difficulties in the way of their efforts to raise wages and improve the conditions of labour. Francis Place himself, indeed in no way underestimated these difficulties. The Combination laws were a perfectly unnecessary irritant in the relations between employer and employed. One more difficulty was the lack of proper machinery for enforcement of these laws, as the J.P.'s often could not discover or punish the abuses. The Act of 1833 for the first time tackled the problem of enforcing the laws, by providing for itinerant inspectors directly under the Home Office.

In 1830 the demand for factory legislation took the form of widespread popular agitation, sweeping simultaneously throughout the factory towns of Yorkshire and Lancashire. The reform demanded was the limitation of the hours of labour of women and children to ten per day. In 1831 Michael Sadler introduced his Ten Hours Bill in Parliament which was referred to a Select Committee of the House of Commons, of which Sadler was chairman. Sadler's Committee reported strongly in favour of legislation. This aroused a great outcry from the manufacturers. The Whig Government therefore instead of bringing in a Bill, or allowing Sadler's Bill to proceed, referred the whole matter to a Royal Commission, of which Edwin Chadwick was a member. The result of the Royal Commission was the first effective Factory Act, that of 1833. The Act applied to cotton Woollen, Worsted, Hemp, Flax, Linen and Silk Mills. It prohibited night work to all young persons under 18, it allowed no child under nine to work except in silk mills for nine hours a day or 48 in a week, this age was to be raised to 13 in two years' time.

After the Act of 1833 had been in operation for a year, the manufacturers attempted to prevent the clause for raising the age to 13, but they were soon defeated. For some years after this the question of further regulation of the conditions of employment lay dormant. But in 1840 Lord Ashley obtained the appointment of a Royal Commission. In 1844 Sir Robert Peel met the agitation, as it had been met in 1833, by an Act which failed to satisfy the agitation, but which was practically advantageous. He allowed all over eight to work, but reduced the hours for children from 8 to 13 years to  $6\frac{1}{2}$  per day, requiring them to attend school during another part of the day, and so introducing the half time system which however, properly it may have been condemned since, was at any rate a great improvement on the system of practically full time work before. By the same measure young persons and women were limited to 12 hours per day, out of which an hour and a half had to be taken for meal times, and 9 hours on Saturdays; and it was further required that dangerous machinery should be fenced. This measure rather encouraged than checked the agitation for a 10 hours day; and at last, in 1847, the principle was conceded, though in a way which allowed for evasion. The Act of 1850 may be regarded as the final triumph of the movement, for it required that the factory hours should be between 6 A.M. and 6 P.M., or between 7 A.M. and 7 P.M., with an hour and a half off for meals, and that factories should close at 2 P.M. on Saturdays, thus limiting the hours per week to sixty, under conditions which made enforcement practicable.

Since 1850, repeated Factory Acts and other legislation based on the principle of protecting the operative have been passed. The principle of State regulation has been extended to non-textile factories, to mines, to ordinary workshops and even to home workers. Sanitary provisions have alone become a complex code, somewhat difficult to enforce, owing to the division of duties between the Factory Inspector responsible to the Home Office and the Sanitary Inspectors responsible to the local sanitary authority. Laws for securing workers' compensation for accident and for illness caused by the conditions of employment have supplemented the factory code proper; and, finally, by the Trade Boards Act, and the Miners' Minimum Wage Act, the principle of State regulation of wages has been conceded, on the one hand, to sweated women-workers in certain industries, and, on the other, to a vast body of men organized in an exceedingly strong Union.

Various attempts were made in 1833 and 1834 to form a general union of all sorts of workers, and in January, 1834, there was started the 'Grand National Consolidated Trades Union.' It was to be a federation of separate lodges, each lodge to be as a rule a local organisation of workers in a particular trade, though provision was made for miscellaneous lodges for men and also for women. The movement

spread like a fire in a field of stubble; it swept as far north as Dundee; it included many classes of workers that had always been found very difficult to organize—shop assistants, agriculture labourers and women. Its avowed policy was to inaugurate a general strike of all wage earners throughout the country for an eight hours day. But the general struggle never came. While preparations were being made for it, the union was found harassed by local and sectional disputes which it could neither prevent nor bring to a successful termination. By the end of 1834 it was practically killed. The first great effort to create wider forms of combination had failed completely.

Meanwhile some of the general organizations which had been established, probably largely with the idea of definite industrial organization like the "National Union of the working classes" and the "Society for National Regeneration" became mere propagandist bodies, aiming at the advance of education or at other reforms for which the assistance of enlightened and philanthropic employers could be enlisted. From this to political propaganda, the step was easy. Thus, for example, the "National Union of the working classes" started as a Carpenters' Society, and then became a national organization working both before and after the passage of the Reform Act for manhood suffrage. From this, again, there sprang the "London Working Men's Association" created in June, 1836, with William Lovett, a carpenter from Cornwall, for its secretary. This was the body which fathered the celebrated Charter drafted by Lovett on the suggestion of Francis Place. After 1848 Chartism, as a movement was practically dead. A new development of trade unionism, was already rising in importance the motto of which was "No politics in the Trade Union".

Though Chartism had its second outbreak in 1848, the period when it really began to weaken in its hold over the minds of the industrial classes of England began about 1843. It was not, however, until after the second outbreak of the Chartist movement that the new type of trade unionism which was destined to make history in the succeeding 25 years came definitely into the foreground. The year 1851 saw the formation of the Amalgamated Society of Engineers, with its three or four smaller societies amalgamated with a membership of over 11,000 paying contribution of one shilling each a week. The union exceeded in membership and still more in annual income, any other trade union of the time. In the succeeding years the A.S.E. became the model for a number of new national trade societies, while other organisations incorporated its leading features.

The trade union movement from this time came under the guidance of what the Webbs term the "Junta", an informal cabinet of five trade union leaders living in London and in constant communication with one another. Their trade union policy was to build up strong societies,

made solid by the accumulated interest of the member in its financial benefits, which tended to increase in amount and practical value for him as he grew older; to build up a great reserve fund; and to make it practically impossible for the employers to conduct their business satisfactorily without employing trade union men and conceding the standard wage, the trade union standard wage being fixed at the amount which the best employers were willing to concede. Apart from this, they desired to use other means for effecting those reforms which had appeared to them to be unobtainable by direct action of the trade unions. They strongly advocated direct labour representation and political agitation for reform of the law as between the employer and employed, for extension of the franchise and of national education. As the level of wages for the skilled trades was advancing, and with it the level of rents, there was an increasing number of working men who became entitled to the franchise as £10 householders. This gave the trade unions a political lever with which to work, and it was a very important element in securing the Reform Act of 1867, and the much fuller enfranchisement of the urban workers.

The notable feature in the development of trade unions about 1860 was the establishment of permanent trade councils. These had been formed before 1860 in Sheffield, Liverpool and Edinburgh and in 1861 the London Trades Council was formed. Since then one of the signs of the rising vigour of trade unionism at different epochs has been the increased activity of such trade councils in various towns. The work of the Junta, in making trade unionism an effective political force, was much facilitated by the ascendancy of men of similar aims and ideas in the largest provincial centres of trade unionism.

A struggle carried on a nation-wide scale secured the amending of the general law between employer and employed. The old Master and Servant Acts were based on the idea that violation of contract by the employer was only a civil case for damages or payment due but by workmen a criminal offence punishable up to three months imprisonment. It followed also, that a master when sued by his workmen could be a witness in his own favour, but the workmen when prosecuted by the employer could not. The trade union agitation for the reform of this law was first organized in 1863, and was successful in obtaining an amending Act in 1867.

Meanwhile, however, the issue of the position of workers' combinations before the law was fought on broad lines in the decade between 1860 and 1870. From 1850 to 1866 trade unionism had been steadily growing in power and influence. Its growth had been watched with alarm in many quarters, and the strong national societies, though they were moderate and conservative in their trade policy, were specially feared and dreaded by employers. The Act of 1825 had done nothing

to give trade unions regular legal status. In 1867, the Court of Queen's Bench in a case of appeal, confirmed the decision of the lower Court, declaring that Trade Unions were illegal associations. Immediately, the London trade union leaders took up the question, assisted by leaders of the Christian Socialists and Positivists. The first thing to be done was to secure the appointment of a Royal Commission to inquire into the whole subject, which the employers were also demanding; the second, to secure that the trade union case should be put effectively before that commission. No workman, till a long time after was ever appointed a member of a Royal Commission, but trade unionists were fortunate in having as their spokesman in Mr. Thomas Hughes (the author of *Tom Brown's School-days*) and Mr. Frederick Harrison. The majority report contained no recommendation which was adverse to trade unions, and the minority report, signed by Messrs. Harrison and Hughes and the Earl of Lichfield, advocated the removal of all special legislation relating to labour contracts, and urged that no act by a combination of men should be regarded as criminal if it would not have been criminal in a single person.

Meanwhile, the Reform Act of 1867 was passed and a general election took place. It was some time before Gladstone's Ministry dealt with the problem. Then, in 1871, the Home Secretary introduced a bill which, on the one hand, gave trade unions complete protection for their funds without interfering with their internal liberty, but on the other hand, codified all the penalties which the law already sanctioned for picketing, or otherwise interfering with employers, or with the men who chose to work during a labour dispute. The trade unions vigorously protested against this clause, but the only concession they could secure was that it was made into a separate Act, the Criminal Law Amendment Act of 1871. The Junta had largely obtained what it specially desired, *i.e.*, the legal protection of the union funds. Though trade unions were legalised, every sort of action, which they could take to enforce their views in disputes with an employer was made subject to very severe penalties. The agitation for repeal of the Criminal Law Amendment Act continued through the later part of Gladstone's Ministry, and at the election of 1874, a general campaign for direct representation in Parliament of trade union leaders was made effective. Thirteen labour candidates went to the poll, and of these Alexander Macdonald and Thomas Burt, the leading officials of the National Miners' Union became the first labour members of the House of Commons. The Criminal Law Amendment Act of 1871 was repealed, the Master and Servant Act of 1867 was replaced by the Employers and Workmen Act, by which both parties became similarly and equally responsible under the Civil Law alone. Peaceful picketing was permitted, and violence and intimidation were left to be dealt with as part of the general criminal

code. This legislation, passed in 1878, was supposed for a period of 23 years to have satisfactorily settled the legal status of trade unionism. The Factory and Workshop Act of 1878 consolidated and amended factory legislation and systematized the existing law and strengthened the arrangements provided for enforcement.

The period from 1871 to 1876, which witnessed such a notable advance in the political influence of trade unions was also marked by their rapid growth in membership and in industrial influence. The Trades Union Congress of 1872 claimed to represent 375,000 men; that of 1874 represented a nominal total of 1,191,922 members. At the end of 1892, the population of the United Kingdom was about 40 millions, and the total membership included in Trade Unions a little over a million and a half, of whom all but a 100,000 were men. The Trade Unions thus included about 4 per cent. of the total population and about 20 per cent. of the male manual workers. In the case of women the percentage was hardly more than 3 per cent. At the end of 1915, the population was over 46 millions, and the officially recorded Trade Union membership had reached 4,126,793 of whom 400,000 were women. The Trade Unions thus already included 9 per cent. of the total population, 45 per cent. at least of the male manual workers, and perhaps 10 per cent. of the women workers. Since then the progress has continued and the aggregate membership of trade unions is to-day in the neighbourhood of five millions with 441 unions. The funds of British Trade Unions at the end of 1936 totalled £16,030,469, an advance of £2,000,000 on the previous year, and nearly double the total of 1926, the year of the general strike. This growth is shown both in the great increase of membership in unions of old standing and in the spread of the movement towards branches of labour which had so long been completely unorganized. In 1872 the movement even spread to the agricultural labourers, and the Agricultural Labourers' Union started on March 29, 1872, boasted a membership of over 100,000 by the end of the year. Considerable increases of wages were obtained, but the labourers found against them, in almost perfect solidarity, the land owners, the clergy and the farmers. Consequently their organization was gradually broken down during the following four or five years. The same period also showed a vigorous effort to organize women workers, and some societies then founded have continued to exist, though their value had largely consisted in showing the impossibility of dealing with the great problem of sweating merely by organization of the sweated workers.

But in 1874 the contraction of trade from its high watermark led to a series of desperate and generally unsuccessful strikes against reduction of wages, which crippled many unions. And while wages were reduced and hours increased, unemployment was not prevented by these devices

for making the employment of labour more profitable to the capitalist. The great unions which had provided for unemployed pay, for their members were reduced to a State approaching bankruptcy. Many small local unions had disappeared altogether and some national societies survived only as local associations. In South Wales and some other districts trade unionism practically ceased to exist and it is probable that the total trade union membership stood at about the same level in 1879 as in 1871. Nevertheless, the movement weathered the storm with very much less loss of strength than in the earlier period of adversity between 1839 and 1842, and it was much more able than before to advance into new strength and aggressiveness when next the condition of industry became more favourable.

**The New Unionism.**—The successful termination of the Dock labourers' strike in 1889 led to a revival of trade unionism throughout the ports of the United Kingdom among the seamen and firemen, the dockers, gas workers, and other unskilled labourers, and through all the trades of London. During the rest of the year 1889 there was a ferment of continual reorganization, and of demands generally successful—for higher wages, shorter hours, and redress of grievance generally. In so far as new unions were formed, they were largely of unskilled labourers, and of a very simple type of organization. In view of the poverty of their members, and of the fact that all the more thrifty and prosperous of them were already members of benefit societies, it was impossible for such a union as the Dock Wharf, and Riverside Labourers, or the Gas Workers and general labourers, to ask for any but a very small weekly contribution, it was, therefore, impossible for them to offer benefits on any extensive scale beyond victimisation pay and strike pay. The strength of the union, therefore, depended almost entirely on moral forces. Hence the so-called new unionism of 1889 and the following years, born as it was to a considerable extent out of socialism, carried forward the socialist propaganda in the general trade union movement to such a considerable extent that the Trades Union Congress of 1891 declared in favour of the Socialist formula—the nationalisation of all the means of production.

The history of labour legislation since 1878 presents two principal aspects. The first is the continued extension of State protection to persons engaged in gainful occupations, whether working at home or in places where labour is congregated in quantity. The second is the enactment of special measures of protection for labourers engaged in the so-called dangerous trades. In 1891 there was passed a comprehensive statute consolidating and extending existing legislation, and incidentally raising the minimum age at which children might be set to work from ten years (under the Act of 1874) to eleven. And in 1901 there was passed a further consolidated and revised measure which, taking effect

from January 1st 1902, is to-day in operation. The range covered by these statutes is very great. Subjects dealt with in detail include the age and physical fitness of workers, hours, the construction of factories and workshops, sanitation, security against accidents, fire hazards and the conditions specially attending the trades designated as dangerous. Places of manufacture are classified broadly into two groups, factories and workshops. Factories are dealt with by the law under four categories: (1) textile; (2) non-textile; (3) domestic; and (4) tenement.

The Factory and Workshop Acts do not apply to mines and quarries of a depth exceeding 20 feet, which are provided for in separate statutes enforced through the Bureau of Inspection of Mines. Nor do they apply to railways except lines and sidings used in connection with factories and workshops; all other lines are subject to laws administered under the direction of the Board of Trade. The acts do, however, apply to a limited extent to docks, wharves, quays, warehouses, and buildings in course of construction or repair.

The Act of 1901 made prohibition of the employment of a child under twelve years of age in any kind of factory or workshop direct and absolute. Parallel with the development of protective legislation applying to factories and workshops has been the growth of similar legislation respecting the hours and conditions of labour in mines. The first Mines Act was passed in 1842, prohibiting the employment of women and girls and of boys less than ten years of age, underground, but it was only in 1850 that reporting and inquiry into fatal accidents and only in 1855 that other safeguards of health, life and limb in mines were systematically required by law. The principal statute upon the subject at present in force is the Coal Mines Act of 1872, based on the recommendation of a commission which reported in 1864 and amended at several points in subsequent years. The prohibition of the employment of women and girls underground remains untouched, and the minimum age at which boys may be employed underground has been raised successively, from ten in 1872 to 12 in 1884 and 13 in 1900 and 16 later on.

**The Problem of Sweating.**—It has long been recognized by British Statesmen and economists that a prime abuse of labour is "sweating". The evils of the system designated by the term "sweating", are three, *i.e.*, a rate of wages inadequate to the necessity of the workers or disproportionate to the work done, excessive hours of labour, and the unsanitary condition of the houses in which the work is carried on. The sweating system originated early in the 19th century, in the manufacture of clothing for the army and the navy. The investigations of 1888 to 1890 led to no early legislation, but it prompted the formation of an Anti-Sweating League, pledged to secure the enactment of a law establishing a minimum wage for workers in sweated industries and trades.



It was not, however, till 1909, that the Trade Boards Act was based upon the principle of wage regulation through the agency of trade commissions, a principle already embodied in legislation in Victoria in 1896 and in South Australia, and bearing close relation to the system of compulsory arbitration established in New Zealand in 1894 and subsequently copied by New South Wales and Western Australia. The Act was made immediately applicable to certain trades in which exceptionally low wages prevailed ready made and wholesale tailoring, machine-lace making and chain making, and the making of paper or clip-boxes—the Board of Trade was given power to add to or to subtract from the list by provisional order, subject to the usual parliamentary confirmation. It is stipulated that in each of the trades affected by the act there shall be a trade board, of no fixed number, but composed of an equal number of representatives of employers and representatives of the workers, together with appointed members whose number must be less than half that of the representative members.

The duty of the trade boards relate almost exclusively to the determination of wages. "Trade boards" says the law "shall . . . . . fix minimum rates of wages for time-work for their trades . . . . . and may also fix general minimum rates of wages for piece work for their trades . . . . . and those rates of wages (whether time or piece rates) may be fixed so as to apply universally to the trade, or so as to apply to any special process in the work of the trade or to any special class of workers in the trade, or to any special area." The rates so determined became obligatory, by order of the Board of Trade, upon the expiration of six months from the date when agreed upon by the trade board, although under certain circumstances they may be made partially operative during this interval. Employers who pay lower wages than are required by the regulations are subject to heavy penalties in the form of fines. The trade board hears all complaints, conducts investigations and takes whatever legal steps may be necessary to enforce its orders. The law requires of the boards, further, that they shall consider and report upon, as occasion may demand, any matters referred to them by a Secretary of State, the Board of Trade, or any other Government department, with reference to the industrial conditions of the trades which they represent. During the first year of the operation of the Act, several trade boards were set up and their labours were successfully inaugurated. State regulation of wages is a new thing in England. The sweated trades which have been singled out for treatment, however, have notoriously stood in need of reformation, and in its endeavour to remove disgraceful conditions of labour and to substitute for them something more in consonance with justice and humanity, the Board of Trade has had the support of public opinion. To thousands of under-paid, under-

fed. and otherwise wretched toilers—the law has brought substantial relief.

The years immediately succeeding the enactment of the law of 1871 witnessed a remarkable growth of trade unions, both in number and in membership. One reason was the relaxation of legal restrictions. A more important one, however, was the prosperity of the country and the inflation of trade. During the decade 1890—99, the fortunes of the unions continued to rise and fall in close relation to the alterations of business depression and activity, the years 1892 to 1895 being a clearly defined period of stagnation and 1896—99, a period of prosperity. In 1899, there was created a general Federation of Trade Unions designed to supplement the activities of annual trades union congress and of its parliamentary committee, and especially to put organised labour in a position of larger advantage for the waging of industrial war, if need be, with employers and employees' societies. The new organisation promptly became affiliated with similar federations on the continent.

In the decade between 1900 and 1910, the trade unions were made to feel twice the weight of adverse judicial decisions in matters of serious import, and it was only the fact that upon both occasions the embarrassment which arose was alleviated by subsequent legislation that prevented the advantages which the unions had acquired from being largely lost.

The first blow which fell was the judgment of the House of Lords in the *Taff Vale case*; rendered in July, 1901. This case arose from a strike of employees of the Taff Vale Railway Company, in Wales in 1900. In a High Court of Justice the Company was awarded £ 23,000 damages against the Amalgamated Society of Railway Servants for persuading and compelling employees to break their contracts and for aiding and abetting, by picketing and in other ways, acts of violence, whereby the property of the company was destroyed. The defence set up by the Society was that as a union, it was not collectively liable for the acts of its members or responsible for those acts either civilly or criminally. In a higher Court, the decision was reversed; whereupon the company lodged an appeal in the House of Lords. The Lords held unanimously that trade unions were, as a matter of fact corporate and responsible bodies; and that a trade union might be sued in tort in its registered name, with the consequence that trade union funds would be liable for any damages that might be awarded. And on other grounds it was held that unregistered unions might similarly be made parties to suit. This decision paralysed the trade unions and drove the later organization into political action. At the Trades Union Congress of 1902 it was resolved to demand fresh legislation which should—

(1) clearly confer upon Trade Unions the rights of voluntary association enjoyed by them under the Trades Union Act of 1871, of

which they were deprived by the Taff Vale decision in the House of Lords;

(2) make it practically legal for men to withdraw their labour, other than in breach of contract, and also for Unions to sanction such withdrawal;

(3) define the law of conspiracy; and

(4) generally define and co-ordinate the laws of Trade Unions and industrial disputes.

The Labour Party, which was then organized by an alliance between Trade Unions and Socialist Societies, returned 29 members at the General Election of 1906. It was successful in forcing the government to deal with the situation created by the Taff Vale decisions by passing the Trades Disputes Act of 1906. In this important measure it was stipulated that "an act done in pursuance of an agreement or combination by two or more persons shall, if done in contemplation or furtherance of a trade dispute not be objectionable." It also legalised peaceful picketing during strikes and protected the funds of the Unions against the dangers involved in the Taff Vale decision. And it was forbidden that any court should entertain an action against a trade union, or against any members or officials thereof, in respect of any tortuous act alleged to have been committed by or in behalf of the trade union. In short, trade unions as such were exempted almost entirely from legal process so much so that one writer humorously remarked that "Trade Unions like the King can do no wrong." The Labour Party assisted in the passing of numerous measures intended to advance the well-being of the manual workers among which the Workmen's Compensation Act was the one which depended for its enactment most upon the pressure of the Labour Party. The Labour Party has served as no other agency to link up socialism and trade unionism.

A second judicial decision of the House of Lords fraught with large consequence for labour was the Osborne judgment of December 21st 1909. The case of *Osborne v. The Amalgamated Society of Railway Servants* arose out of the common practice of labour organisations to employ some portion of their funds for the support of labour members of the House of Commons. Until 1911, no regular, public compensation was attached to service in Parliament; and in default of such compensation the labour elements early fell into the custom of making their own arrangements whereby their representatives, rarely men of means could maintain themselves at the capital. Mr. Osborne foreman porter at Clapton station on the G. W. R. and Secretary of the Walthamstow Branch of the Amalgamated Society of Railway Servants, objected to the rule of his union requiring contributions from all members towards the payment of salaries or maintenance allowance to representa-

tives in Parliament pledged to support the programme of the Labour Party. The verdict of the King's Bench was against Osborne, but the judgment was reversed unanimously by the court of appeal, whose decision was sustained in the House of Lords. The purport of the judgment was that no trade union or other labour organisation can legally require its members to contribute to funds to be utilised in the remuneration of members of Parliament, nor indeed may it employ any of its funds in this way. The blow thus administered to the unions was a serious one, and for a time it appeared that the political activities of labour must be curtailed severely. The judgment was attacked and in 1910 there was set on foot a movement to bring about its reversal by Parliamentary Act. The agitation culminated in 1913 in the passage of a new Trade Union Act wherein the object was, at least in part attained.

The Trade Union Act of 1913 is important chiefly for two things: (1) its fresh definition of the term "trade union" and (2) the new regulations laid down concerning the use of union funds. A trade union shall have power under the Act to apply its funds, without restriction, for any lawful objects or purposes (other than political objects) for the time being authorised under its constitution. It may employ its funds for political purposes also, but under two absolute conditions, namely, that a resolution in favour of the political objects contemplated shall have been passed by the members of the union by secret ballot, and that no compulsion shall be placed upon members to make contributions for such purposes. In a word, therefore, the portion of the Osborne verdict which would forbid unions to employ any of their funds for political purposes has been overruled.

The Railway strike of August 17th 1911 forced the government to intervene. Almost by a miracle, it was successful in securing a resumption of work, in spite of the fact that the great mass of the members of the trade unions on the one hand and the directors of the Railway companies on the other, were eager for a fight to a finish.

In 1927, the Trade Disputes and Trade Unions Act was passed; partly with a view to preventing general strikes such as that of 1926, but it also dealt with other matters. During 1926 the definition of a trade dispute and the legality of the general strike had been much discussed. The Act of 1927 introduced various limitations upon the right to strike, the chief being that (1) any individual engaging in a trade dispute is liable to criminal proceedings if, by breaking a contract of service, injury or danger or grave inconvenience to the community is likely to result; (2) a strike is illegal if it has (a) any object other than or in addition to the furtherance of a trade dispute within the trade or industry in which the strikers are engaged and (b) a strike

designed or calculated to coerce the government either directly or by inflicting hardship upon the community. The second of these provisions makes illegal a general strike, most sympathetic strikes whatever their objects may be, and most strikes the objects of which extend beyond hours, wages and other conditions of employment. The 1927 Act also considerably increased the restrictions upon picketing. It rendered trade unions liable for damages incurred by employers and others in illegal strikes, thus partly reversing the favourable legislation of 1906 which followed the Taff Vale case.

These and other restrictions imposed by the 1927 Act are much resented by the trade union movement, which holds that the Act was passed in a spirit of vindictiveness. Organised labour has, therefore, expressed its determination to secure the withdrawal of the restrictions, and this policy is included in the programme of the Labour Party. In 1931, the Labour Government introduced a Bill to remedy these defects, but, being a minority government, failed to secure the passage of the Bill making the demands of the trade union movement; and the Bill was withdrawn. There is undoubtedly the need for a systematic codification of trade union law, but so many controversial, political and social questions are involved that the prospects of early action are not bright.

**Syndicalism.**—The Sheffield Trade Union Congress of 1910, at which the Osborne Judgment was the main official business, was marked also by the unofficial preaching of a doctrine known as Syndicalism, though somewhat different from French Syndicalism. Syndicalism may be regarded from one side as a theory with respect to the right method of organising industry. From this point of view it may be considered a revival of the earliest English Socialism, that of Robert Owen. The doctrine is that the workers in the great groups of industry, *e.g.*, the Textile, Transport, Mining and Metal working industries, should organise themselves into comprehensive unions in which both the skilled and unskilled men should have equal share, and that these Unions originally created to demand better conditions from the private employers in those industries should ultimately themselves take over the responsibility for the management of the industries. The English Syndicalist appears to be dominated, unlike in France and the U.S.A., rather by national than international ideals, and that the industrial unions of Britain should combine together to control the working of the national industries. Syndicalism criticises severely the existing organisation of trade unionism for its sectionalism, and for the tendency of the skilled artisan to disassociate himself from the unskilled labourer. It also condemns entirely the fundamental policy of trade unionism, *viz.*, while demanding from employers as large a share as possible of the disposal surplus of industry, of leaving to the employer a normal

rate of profit. The Syndicalist sees no reason for limiting the demand of the labourer at what the employers can concede. If the whole employing class in a given industry is driven into bankruptcy, then it will be all the easier for the organised Syndicalists to take control of that industry, and to establish a new order of society.

For the management of industry by State department, Syndicalism would substitute management by the workers engaged in the industry themselves—the State having already disappeared; and instead of attempting to win through the new society by Acts of Parliament, it would use the Direct Action of the workers, organised in great industrial unions—the culminating act being a General Strike of the whole proletariat, by means of which Society would be held up, the capitalist appropriated, and the Trade Unions placed in possession of the industrial machine. Out of Syndicalism, sprang the Guild Socialist theory in England. It is the idea of self-government in industry, as the only method by which liberty can be made real, which is at the root of the Guild-Socialist doctrine; and so far there is little to distinguish it from Syndicalism. The Guild Socialist desires to see every industry democratically conducted by a self-governing body consisting of all the workers in that industry, organised into a profession which they may carry on in the public interest. For instance, there will be a single National Guild of all mine workers—manual, technical, intellectual—which will conduct the industry on self-governing lines, appointing and dismissing managers from among their number and so bringing real liberty and real democracy into the work which constitutes so important a part of their lives.

**Guild Socialism.**—But Guild Socialists are not content, like the Syndicalists, with making democracy and liberty a reality only in relation to production; they would make it a reality over the whole of life, with its manifold interests and duties. And in order to do so they elaborate what has been called the principle of functional democracy. The miner is not only a miner; he is also a consumer of food, and perhaps also an “enjoyer” of the public gardens and a member of the Christian church. Just as he must have liberty and self-government as a miner, so must he have liberty and self-government in these other relations also. But in these other relations he will obviously organise for purposes of self-government, not with other miners, but for instance with all the members of the Christian church and users of public gardens, etc. And so we get the conception of a great complex of organized bodies, each one carrying out, by means of democratic self-government its own peculiar function.

It will assuredly not be by Acts of Parliament that this society will be brought into being. ‘Economic power’ argues the Guild Socialist, ‘precedes and dominates political power’. Those who possess the

economic power use the political machine for their own ends, and prevent it from being effectively used for ends other than theirs. The Guild Socialist puts his faith, not in Parliamentary but in industrial action. Syndicalism favours the General Strike weapon. All Guild Socialists are united in condemning Parliamentary action and in considering industrial action essential, but there is considerable difference among them as to the form and means which this industrial action should take.

Although it is a comparatively short time since the Guild idea was first put forward in Great Britain, already considerable differences of opinion exist as to the form which the Guild Society should take. The earliest school conceived Guild Society somewhat as follows:—

Production is carried on by National Guilds, each Guild consisting of all the workers, whether by brain or hand, in the particular industry. The various Guilds send delegates to a National Guild congress, which acts as a co-ordinating authority on the side of production, and which thus represents the whole community organized in accordance with their functions and interests as producers. Over against this Guild Congress is the State or National Parliament, elected on a territorial basis as at present, and therefore again representing the whole community but this time organised as consumers. Guild Congress and National Parliament are co-equal authorities, and any conflict between them is solved at a joint session. The State owns the means of production, which it leases to the various Guilds. Each Guild carries on production, by authority of a charter of incorporation; and it is by a levy on the Guilds that taxation is raised. This form of Guild Socialism contracts with Syndicalism more vividly than any other; for while Syndicalism considered men only as producers and abandoned the State, here we have a balance as between producers and consumers, and a State set over against a Guild Congress. Guild Socialists repudiate Parliamentary action. One school relies entirely on action by the workers in the industrial field.

## CHAPTER VI.

### TRADE UNIONISM IN INDIA.

Except for the caste system which was itself socio-economic in origin and divided the people into different industrial classes, there did not exist in India, till recently any wage-earning class. With the growth of modern industrialism there is, however, growing such a class. The most important group of workers is to be found in such modern industries as railways, collieries and factories. Since the Great War, modern industries have been springing up all over the country employing a large number of people, so much so that their number including in the Field work and factory, etc., is estimated to be over 30 million people. Unlike the wage-earning classes in Europe and America, the majority of the labourers in India still retain their homesteads, and some of them even own a piece of farm land, small though it may be, and they do not yet depend completely upon wages for their livelihood. The number of workers who have been separated from homesteads and farms and depend solely upon wages for their livelihood is increasing every day. Such modern wage-earning class without homesteads exist in large industrial centres like Bombay, Ahmedabad, Jamshedpur and Cawnpore.

The labour movement in India may be said to have begun in 1875, when a few philanthropists under the leadership of Mr. Sorabjee Shapurjee Bengalee started an agitation in order to draw the attention of Government to the wretched conditions of the workers, especially women and children, in factories and to the need for legislation but the progress of the movement was disappointing till the end of the War. The first labour leader in India, was Mr. Narayan Meghajee Lokhande, who started his career as a factory worker and devoted his whole life to the labour movement. In 1884 he organised a conference of the workers in Bombay factories for representing their grievances to the first labour Commission just then appointed, and their memorial signed by 5500 workers was duly considered by the commission. But as no action was taken by Government, a mass meeting of over 10,000 factory workers was held in Bombay on April, 24th, 1890. Two women addressed the meeting and complained of being forced to work on Sundays. A memorial asking for a weekly holiday was at once drawn and sent to the Bombay Mill Owners' Association, which granted the request in the general meeting held on June 10th 1890. It was, of course, a great victory for labourers, but without legal compulsion, it could not be enforced. Encouraged by this success, Mr. Lokhande, who was the moving



spirit of the movement, organised the Bombay Millhands' Association with himself as President and Mr. D. C. Athaide as its Secretary. It was the first labour organisation in India. Mr. Lokhande also started a labour journal called the "Dinabandhu," *i.e.* Friend of the Poor, for ventilating the grievances of the workers and drawing public attention to them. This, the first labour journal in India presented the labour side in the form of appeal rather than of right. But the whole labour movement in India till the end of the War, was actuated by the spirit of appeal and peaceful methods, and not by those of demanding rights and fighting.

With the passing of the Factory Act of 1891, the first phase of the labour movement the chief object of which was the regulation of child and woman labour came to an end. It declined during the period of famine, plague and economic depression that followed. But it revived when a boom began in the cotton industry in 1904. A profitable market both at home and abroad led to unusual activities in cotton factories which were soon followed by excessive hours. The Anglo-Indian Press, representing the Manchester interests, at once raised its voice against overwork. The Bombay factory workers also sent a memorial to the Government of India praying for the regulation of their working hours by legislation. The partition of Bengal in 1905 created the Swadeshi movement, and a few of the Bengali leaders took up the cause of labour and organised the Printers' Union and helped the workers to win their strikes in such industries as printing and transportation.

The deaths of Mr. Bengalee and Mr. Lokhande deprived the movement on the Bombay side of leadership for some time. The labourers lacked leadership and also the courage to come out openly for their cause, but kept up the activities to some extent. In 1909, a meeting of the Bombay factory workers was held condemning some of the practices of the employers and supporting the move of Government to restrict the working hours of male adults by law in factories.

In 1910, the second organisation of Bombay factory workers was formed under the name of Kamgar—the Hitvardhak Sabha or Workers' Welfare Association. A labour weekly entitled Kamgar Samachar, *i.e.*, Labour News, was started. The association sent a memorial to the Government of India, supporting its proposal to limit the daily hours of male adults in factories to 12, and praying for the provision of compensation for accidents, education for factory children, improvement of housing, etc. One of the functions of the association was the settlement of disputes between employers and employees, and it also intervened in a number of industrial disputes on behalf of the workers.

In 1911, mainly due to the efforts of the Secretary of State influenced by the Manchester manufacturers who did not like unfair competition with sweated labour in India and the feeble efforts of Indian workers,

the third Factory Act was passed regulating the labour of adult males in textile factories to 12 hours a day. The working hours of children in textile factories were also limited to 6 a day. This Act has been amended in 1922 and 1934 as will be shown in the next lecture. With the passing of the Act, 1911, the second phase of the labour movement came to an end.

The Labour Unions of 1890 and 1910 were not trade unions proper. The real beginning of the trade union movement came in 1918, when the first industrial Union was formed on April 27th 1918, by Mr. B. P. Wadia among the textile workers of the Buckingham and Carnatic Mills at Choolai, Madras. By 1919, there were 4 unions in the Madras Presidency with a membership of 20,000. Among the chief unions might be mentioned those of tramway men, printers, rikshawmen, aluminium workers, motor drivers, scavengers or street cleaners, and metal and iron workers. From Madras, the movement for trade unionism spread to other parts of the country. Similar unions were formed in Bombay, Calcutta, Ahmedabad and other important industrial centres. In a short time there was scarcely any industry in India, which was not organised in some form or other.

Several factors stimulated this development. Firstly the war, which stirred the whole world, also affected the Indian masses, specially the Industrial workers, and a new consciousness, that was born in them produced restlessness, discontent, a spirit of defiance, as well as new ideals and aspirations.

Secondly, while the cost of living went on rising, wages did not keep pace with it, and although trade and industry were enjoying unprecedented prosperity, the workers, far from sharing in it, frequently found conditions more trying than before. The economic distress and discontent produced thereby resulted in many strikes for an advance in wages, and a substantial proportion of them were successful. Many trade unions came into existence immediately before or after strikes, some of them had no regular constitution or definite subscription or system of studying or publishing accounts, and it was believed at the time that they were mere strike committees. This belief was only partially correct, and while some of these unions ceased to exist soon afterwards, the majority of them have continued and strengthened their position.

Thirdly, the constitution of the annual International Labour Conference gave the workers' organisations. The right to have a delegate recommended by them nominated by the Government of India. This made it desirable not only to establish unions, but also to co-ordinate their activities, so that a single delegate could be recommended unanimously to Government every year. Thus the All-India Trade Union

Congress began to hold its sessions every year from 1920 at different centres, and the enthusiasm generated by it led to the creation of several new unions. The congress has served as a meeting place for all the leaders of the movement, as a platform for the formulation of labour policy, and as a link between trade unionism in India and in Europe. Lastly, the political movement for the achievement of Swaraj has also promoted unionism by increasing the prevailing unrest and providing willing leaders. Last, but not the least, was the revolution in Russia, especially the establishment of the Soviet Republic, which awakened hope for a new social order. The effect of this new consciousness was the growth of the spirit of defiance and restlessness. This spirit manifested itself in the latter part of 1919, when the workers started strike after strike, until like an epidemic it spread all over the country, paralysing the whole industrial organisation. Some conception of the intensity and extensity of the strikes of this period may be had from the following figures:—

November 24 to December 2nd 1919, Woollen Mills, Cawnpore, 17,000 men out. December 7th, 1919 to January 9th, 1920, Railway Workers, Jamalpore, 16,000 men out. January, 9th to 18th 1920, Jute Mills Calcutta, 35,000 men out. January 2nd to February 3rd General Strike, Bombay, 200,000 men out. January 20th to 31st, Mill Workers, Rangoon, 20,000 men out. January 31st, British India Navigation Co., Bombay, 10,000 men out. January 26th to February 16th, Mill Workers, Sholapur, 16,000 men out. February 2nd to February 16th, Indian Marine Dock Workers, 20,000 men out. February 24th to March 29, Tata Iron and Steel Workers, 40,000 men out. March 9, Mill Workers, Bombay, 60,000 men out. March 20th to 26th, Mill Workers, Madras, 17,000 men out. May 1920, Mill Workers Ahmedabad, 25,000 men out.

While the labour revolt was manifesting itself all over the country and destroying the old industrial relationship some constructive work was also being done in some industrial centres. In December, 1919, a conference of the Bombay Workers was held at which 75 factories were represented. They draw up a memorandum demanding reduction in the working hours, an increase in the rest period, and compulsory education of factory children. Mahatma Gandhi organised labourers into trade unionism in Ahmedabad. Trade Unions, in the technical sense of the word, have appeared more at Ahmedabad, than at any other part of India. On February, 25th and 26th 1920 a spinners' union and a weavers' union were respectively formed by Mahatma Gandhi. The same month saw the rise of folders' union. In March, June and August of 1920 were formed the unions of seizers, winders, carders, blowers and framers. At the end of 1920, the membership of the trade unions rose to 16,450 and the funds to Rs. 54,097. About 43 per cent. of the factory workers at Ahmedabad were organised by the end of 1920. By the middle of

1921, the membership rose to 20,000 and the funds to Rs. 75,000. More than half of the Ahmedabad factory workers joined trade unions of some kind or other by the end of 1921, and to-day the figure is about 75 per cent. Mr. Butler during his visit to Ahmedabad last month remarked that the standard of living of the textile workers in Ahmedabad was better than in any other part of India and this is perhaps due to the fact that Ahmedabad is leading and has always led the trade union movement in India.

The spirit of defiance on the part of the workers as expressed in constant disputes and the willingness on the part of the intellectuals to lead and organise the workers could not long remain unprotected by employers. They looked for an opportunity and it was soon found. A dispute between employers and employees in the Buckingham Mills at Madras was followed by the lockout and strike in which trade unions took active part. The company brought a suit against Mr. B. P. Wadia and other leaders of trade unions. The High Court of Madras decided against them and brought in a judgment of a fine of £7,000 and the cost and put the union leaders under injunction. The company consented not to prosecute the judgment further on the condition that Mr. Wadia would sever all his connection with the labour movement. Mr. Wadia agreed to the proposition and the employers acquired a very successful weapon in the form of injunction for coping with unionism.

Previous to the passing of the Trade Union Act of 1926, the legal position as regards the right of association in India was that the state did not prevent any individual from joining an association provided that it conformed to the ordinary law. The ordinary law of the land, like the English law on the subject under the influence of laissez-faire policy in England, declared those associations illegal combinations. The decision of the Madras High Court in the Wadia case is an instance of this kind.

Injunction against trade unionism in India was disapproved by the labour party in England. A deputation of the Trade Union Congress Parliamentary Committee waited upon the Secretary of State for India on March, 22, 1921, and pointing out of the injustice of injunction against the young Trade union movement, asked for a legislation for the recognition of trade unions with a principal provision that they would have power to sue and to be sued. The Secretary of State promised early consideration of the matter by the Government of India, which was not however, remedied till the passage of the Indian Trade Unions Act in 1926. This Act may also be said to be an indirect result of India's participation in the International Labour Conference at Geneva and was secured nearly half a century after it was enacted in Great Britain.

**Federation of Unions.**—The constitution of the Annual International Labour Conference at Geneva gave the workers' organisation the right to have a delegate recommended by them nominated by the Government of India. This not only stimulated the establishment of Trade Unions in India, but also to co-ordinate their activities, so that a single delegate could be recommended unanimously to Government every year. The effectiveness of class solidarity as means of altering aims of labour was also the driving force which prompted the unions into federations. Cities began to federate local unions almost simultaneously with the growth of trade unions. Most of the large cities have one or more federations of trade or labour unions. Madras, for instance, has its Central Labour Board and Bombay has the Bombay Central Labour Board and the Bombay Central Labour Federation. From cities the scope of federation was extended to the country and also to the provinces. This tendency assumed its national importance in 1920, when the first All-India Trade Union Congress was held at Bombay from October 31st to November 2nd, with the late Lala Lajpat Rai as its president and Mr. Joseph Baptista its vice-president. A standing committee was appointed to manage the affairs of the congress during the following year and to further the cause of labour until a permanent constitution was adopted. The most important subjects of discussion were shorter hours, higher wages, better housing, medical help in sickness and accident, and old age and maternal benefits.

The Second All-India Trade Union Congress was held at Jharia, a small coal town in Bengal, from November 30 to December 2, 1921. There were 10,000 delegates from about 100 unions representing about 1,000,000 members and all the provinces. There was a local strike in the coal fields and over 10,000 striking miners attended the sessions in a body. Mr. Joseph Baptista was elected president. A constitution of the congress was accepted. Most of the discussions centred on such topics as hours, housing, wages, disputes and conciliation. Resolutions were passed expressing sympathy for the Russian famine. A call was also made to the workers of the world to devise means for abolishing the war.

Mr. Baptista in the course of his presidential address suggested that Government should establish a ministry of labour and hoped that the congress would develop a national organ of labour, in which the co-operative, trade unionism and socialistic movements would be represented. He considered the presence of outsiders in the union desirable as they constituted an impartial element and as in a trade dispute they would represent the consumers' interest. He also suggested that labour should insist upon giving effect to some of the conventions and recommendations of the international labour conferences.

Mr. Chaman Lal, Secretary of the Trade Union Congress, showed the importance of organised labour to the national movement which could not achieve Swaraj or self-government without its help. He also warned that unless the economic conditions were improved, the Indian workers would use direct methods and establish Bolshevism or workers' rule.

With the formation of the All-India Trade Union Congress, which is the national organisation of labour, the spirit of federation received a new impetus. Between the city and national federations, there remained a gap, which was soon filled up by the formation of provincial federations. The importance of provincial organisation becomes evident, when the question of language is taken into consideration. There is no common language throughout the country. Although a province may have more than one language, they are more or less understandable to all classes of the people within the province. Provincial federation has been started in Bengal, and the first Bengal Trade Union Conference was held in Calcutta, April 4, 1922. A large number of delegates, representing 15 unions, including mercantile clerks, tramway men, iron workers and seamen was present. The Conference was presided over by Raja Monindra Chandra Sinha. Several resolutions were passed demanding legal recognition of trade unions, the repeal of Workmen's Breach of Contract Act and the enactment of Workmen's Compensation Act.

As a result of these resolutions and the effect of the International labour legislation, the fourth factory Act was passed in 1922. The chief provisions of the act are the reduction in the working hours of adults from 72 to 60 a week and the increase in the minimum and maximum ages of children from 9 and 14 to 12 and 15 respectively. We will discuss this Act in detail in the next lecture. Another important legislation, for which agitation started was for the registration and protection of trade unions. On March 1, 1921, a resolution for such legislation was accepted by the Government of India. On September 12, 1921, the Government of India asked the Provincial Governments to gather opinions and suggestions of the organised bodies and influential persons interested in the question. This matter was dealt by the Indian Trade Unions Act of 1926.

**Women's Unions.**—One of the most far-reaching steps taken by the labour movement in India is that of unionising female workers. A considerable number of women find work in agriculture, but their number is very much limited in organised industries, such as factories and mines. Recently women are entering into such occupations as teaching and stenography. On April 22, 1922, the female workers of Bombay met with the object of organising clerical workers of the city. Similar, attempts have been made to unionise in other trades and crafts. There is no doubt

that a strong organisation of women will be evolved and play a very important role in the Indian labour movement.

**Nationalisation of Unions.**—The trade unions had already been federated into local, provincial, and national federations by 1922. But there was still a defect in the labour organisations of India. Some of the industries such as transportation are national in character. They can be dealt with only by the national organisation. The All-India Trade Union Congress is more or less weak in dealing with a particular industry. The latest tendency in the labour movement is to remedy this defect. During the last week of December, 1922, there was held at Lahore a conference for the amalgamation of the northern and southern federations of railway men's unions into the All-India Railwaymen's Federation under the chairmanship of Mr. C. F. Andrews. The intention of the national federation is to represent the workers of all railways in India and Burma and to have a central standing committee at Delhi, which will directly and constitutionally deal with the Railway Board and transact other business. This national federation of railway unions was organised and is one of the most powerful federations in the country. It is like the Railwaymen's brotherhood in England. One whole volume of evidence before the Labour Commission was submitted by the Railway Trade Unions.

The present labour organisations in India may be divided into the following groups. First, craft or trade unions such as spinners' Unions and weavers' Unions. Second, crafts or trade unions, such as the Bombay Central Labour Board and All-India Trade Union Congress. Third, industrial unions, such as railway workers' unions and printers' unions. Fourth, labour unions, such as the Bombay Millhands' Association and Workers' Welfare Association. A craft or trade union is an organisation of the workers of a single occupation. A crafts or trades union is the federation of unions in different occupations. An industrial union is an organisation of the workers in the same industry. A labour union is an organisation of workers irrespective of occupations. Almost all the labour unions are well organised. Most of them have such offices as presidents, vice-presidents, treasurer and secretaries, some of whom come from outside. There are also advisory bodies or committees, the members of which are mostly the workers themselves. The members generally pay fees. In large cities like Bombay and Ahmedabad, all the unions are federated into one or more organisations. Such federations may be either independent, as the Central Labour Board at Bombay, or may be affiliated with the All-India Trade Union Congress, as the Central Labour Federation also of Bombay, which ceased to exist since 1929.

Some idea of the nature of the labour federation may be had from the constitution of the Bombay Labour Board. Any labour union in the

presidency of Bombay may be affiliated with it on the payment of an admission fee of ten rupees and on furnishing satisfactory information on the following:—First, the aims and objects of the union. Second, the actual number of the members at the time of affiliation, monthly subscription received from the members, and the names of the office-bearers. Third, the willingness of the union to abide by the rules of the Board.

The outstanding feature of the labour organisations in India is that the majority of them are industrial unions. There are several reasons for the preponderance of this form of unions. First, there already exists some kind of trade unionism in the form of the caste guild. Second, the labourers in each trade or craft have not attained the stage of development and specialisation which creates rivalry and calls for the protection of the craft interests by organisation. Third, the leaders of labour organisations are mostly outsiders, and as such they are interested in the labouring class as a whole, rather than in any branch of it. Fourth, the tendency of the modern labour movements abroad towards industrial unionism has also influenced the aims and methods of the labour leaders in India.

Recently there has been, however, a tendency towards trade or craft unions. The essential cause of their growth is the influence of the British Labour movement, which has been taken as a model by some of the Indian labour leaders. As the skill of the workers develops, and as they become more and more class conscious, there is every likelihood that such union will also become larger in number. Along with the growth of craft unions, there is also growing a tendency for federation and nationalisation. Craft unions with their conflicting interests might split up the labour camp and weaken the movement. The local unions are also unable to deal with centralised and nationalised industries. But when federated and nationalised, they become all the more powerful.

The principal weapons of the union are strike and the boycott. A strike occurs when the employees refuse to work and use all their influence and power to prevent the filling of their places. The object of a strike is to make it impossible for the employer to obtain the labour necessary to carry on his business and thus to force him to yield to the demands of the union. If all workers were union members, this would be comparatively easy to do; but since there are very few crafts of industries in which it has been possible to unionise all the workers, it is sometimes very difficult for unions to force employers to yield to their terms. Non-union workers who take the places of union workers who have gone on strike are derisively called "scabs". The boycott is a form of agreement among union labourers whereby they refuse to use or buy products made in non-union factories or by employers who resist the union and refuse to trade with merchants who handle such products. The object



of the boycott of course is to injure the business of the employer to such an extent that he will be willing to deal with the unions. So far, the boycott has not been utilised by the Trade Unions in India.

The employers' principal weapons of retaliation are the lockout and the blacklist. In order to forestall union activities to penalise union members, or force the union to moderate its demands, an employer may discharge all employees who are known to be members of labour unions, and may even shut down his plant altogether for a time in order to starve the unions into submission. This is known as a lockout. And in order to avoid the employment of union workers and to prevent the formation of unions among his employees, an employer may co-operate with other employers in preparing long lists of names of workers who are known to be union members or acting union workers. These lists are known as blacklists, and no person whose name is on the list will be given a job by an employer who maintains a black list. This is also a rare feature resorted to by the employers in India.

As a corollary of collective bargaining, labour unions try to establish what is known as the closed union shop, *i.e.*, they try to compel the employer to employ none but union workers. Many employers, on the other hand, strive to maintain what is known as the closed non-union shop, *i.e.*, they refuse to employ union workers at all. It seems, that the J. K. Mills in Cawnpore require a promise from workers on recruitment that they would not join any trade union. This statement was made by Mr. S. P. Saksena before the Cawnpore Labour Enquiry Committee on January 11th 1938. Perhaps this is also the case in some other Indian Mills. In between these two extremes there is what is known as the open shop, under which the employer is free to employ both union and non-union labour, but must maintain union hours and union scales of wages for his union employees. Union workers contend that the open shop is merely a prelude to the establishment of a closed non-union shop, while employers contend that the open shop is necessary in order to do justice to the non-union worker as well as the union worker. In India open shop system prevails almost everywhere, and the closed union shop system nowhere.

Because of the great power of the strong labour unions, employers have found it expedient to form associations of national scope for the purpose of combating organised labour. Thus we have the lines of battle drawn between the organised workers on the one hand and the organised employers on the other each fighting for its own interest, outside of these two hostile camps, but vitally affected by the conflict, is the great mass of professional people, salaried workers, small businessmen, and farmers known collectively, as the public. Until recently, the attitude of the public in industrial disputes was presumed to be that of a passive,

if not impartial, spectator, but it is doubtful if that attitude can be maintained much longer.

The All-India Trade Union Congress has up till now confined itself to collective bargaining as their goal. It tolerates the modern capitalistic and the wage system as more or less permanent institutions and attempts to improve the lot of workers under them. Due to the existence of the Soviet Government in Russia, the first signs of radicalism have crept into the Trade Union Organisations. Recently, communists in India and even from outside have endeavoured to capture the movement and in 1928 a prolonged strike among the cotton factory workers of Bombay city made it possible for a few communist leaders to include more than 50,000 of these workers in a communist organisation. Quarrels regarding communism brought about a split in the movement and the secession of a majority of the unions at Nagpur from the All-India Trades Union Congress in 1929 and the creation of a new and separate All-India Trades Union Federation. Due to these dissensions and schism the labour movement has been weakened since 1929. As a result, since 1936, both the bodies have made honest efforts to coalesce and Mr. V. V. Giri, now Minister of Labour in the Madras Government, submitted compromise proposals for this purpose. In the annual sessions of both the central organisations, *viz.*, A.I.T.V.C. and N.T.U.F., held in December, 1937, resolutions were passed to give effect to the Giri proposals. This has taken place and resulted in a definite and comprehensive programme of effective organisational work throughout the country. In arriving at this much desired and long cherished re-approachment, the interests of the Indian working class movement as a whole, are secured. The alternative would have been the inevitable weakening of the labour movement.

The relations of Indian Labour with the International Federation of Trade Unions with its headquarters at Paris have been very cordial. There has been fairly close and continuous association between Indian labour on the one side and the I.F.T.U., and the Socialist International on the other with its headquarters at Moscow. Of course, the occasions for contact with the former body, have been more numerous, since the I.F.T.U. is the central organisation of trade unions as such, while the Socialist International is more concerned with the political and imperial aspects of the labour problems. Paris like Moscow has helped distressed Indian strikers with generous financial contributions; and it has always declared itself ready to advance the cause of genuine trade unionism in India. The Indian Trade Union Congress has not affiliated itself to any important international organisation, but the N.T.F.U. is affiliated to the I.F.U. in Paris since 1933. But considerable sectional units representing more than three-fourth of the membership of registered trade unions in India (such, for example, as the transport and seamen and the

textile workers of India) have now established solid connections between their national unions here and powerful international bodies like the International Transport Workers' Federation and the International Textile Workers' Federation. To promote a healthy growth of the trade union movement by protecting legitimate trade unions, giving them status and disassociating them from political propaganda which may conceal their real aims and jeopardise their usefulness, and to protect the ignorant and superstitious workers from fraud and imposture to which they can be easily subjected, an Act called the Indian Trade Unions Act was passed in 1926. Under this Act every Provincial Government has appointed a Registrar of Trade Unions. Any seven or more members of trade union may apply to him for its registration. They must furnish the name and address of the union, the names, addresses and occupations of its officers, their own addresses and occupations, and a statement of its accounts. These statements with necessary changes, must be supplied every year. But any change in the name, address or rules of the union, or its amalgamation with another must be notified and registered immediately. Registration of a union is thus optional. Labour circles demand the enactment of the Indian Act on the lines of the British Trade Union Legislation in India and their recognition by the employers as well as by Government. Further the rules of such a union must be sanctioned by the Registrar, must state all the objects for which it exists, and must provide for the keeping of a complete list of members, for the admission, as ordinary members of those who are over 15 years old and are employed in the particular industry, for the admission of outsiders not engaged in the industry as honorary or temporary members, and for methods of election, removal of officers and dissolution of the union. The rules must also provide for the election of at least one-half of the office bearers from among the ordinary members, and for all of them being at least 18 years old.

Finally, the rules must provide for the proper keeping and audit of the union's accounts, and must lay down the precise objects on which its funds may be expended, and the terms of benefits, fines and forfeitures. The objects are restricted by the act to administrative expenses; legal action relating to the protection of a union's rights, the conduct of a trade dispute, or a dispute between a member and his employer; allowances to members or their dependents in connection with deaths, sickness, accidents, unemployment, or old age; the supply of educational, social or religious benefits to members; the conduct of a journal for the discussion of labour problems; and subscriptions limited to one-fourth of unions' income for carrying out similar objects. A registered union may establish a political fund for furthering the civil and political interests of its members, and the fund may be used for election expenses, political meetings, and distribution of literature, but subscriptions to it must be purely voluntary, and no members must be victimized for not

subscribing to it. The same rule holds good in England also, passed after the Osborne decision.

As compensation for these restrictions the Act grants immunity from criminal liability and from indictment for conspiracy to all the officers and members of registered unions, for acts done by them for promoting the legitimate aims of the unions. This is in accordance with the principle of the English Legislation passed to remedy the defects of the Taff Vale case. The Act grants a large measure of immunity from civil liability also, by providing that no civil suit can be maintained against an officer or a member of a registered union with regard to any act done by him in respect of a trade dispute, on the ground that it encourages some other person to break a contract of employment, or that it involves an interference with the business of some other person and by providing that no civil suit can be maintained against a registered union with regard to any act done in respect of a trade dispute by any agent of the union, provided that it is proved that he acted without the knowledge of the unions' executive or in contravention of its order. Finally, the Registrar can cancel the registration of a union on application from it or if he discovers a fraud, stoppage of activity, illegal cancellation or retention of rules or any other contravention of the Act. He must, however, give two months' notice, and the union can appeal against his decision to Government. This Act differs from British and Dominion Legislation on the subject mainly in the fact that the application of its provision is confined to Registered Unions only.

This Act has regulated the position of trade unions, and enables them to progress by helping them to keep away, from outside interests, and to protect themselves from politicians who have succeeded in some cases in the past in wrecking unions, which had started well, by obtaining control over them, driving away their legitimate leaders, and misleading their members. It helps the real labour leaders, whether they are workmen or social leaders, to obtain the guidance of the movement into their own hands, and helps employers to distinguish between them and political leaders, who, however, estimable their work may be in the political sphere, have no proper place in the movement, which is primarily economic in character.

Since the passing of this Act, the trade union movement had developed more rapidly, both as regards the number of new unions and the number of members, of the older unions, owing to the increasing willingness of the employers to recognise unions registered under the Act. Moreover, a considerable improvement in the conduct and administration of the registered unions, and in the proper maintenance of accounts and registers of members has become noticeable.

Trade Unionism has made the greatest progress in the Bombay Presidency, and weakest in Bengal (having regard to the potentialities)

in which there are nearly 100 unions with 120,000 members, and the number of organised workers is about the same in the rest of India. Over 213 unions claiming nearly 284,918, have been registered under the Trade Unions Act by January, 1936. Transport workers have been the best organised. The railway workers have 25 unions, with 50,000 members. The seamen and dock workers have a number of active unions. Organisation is fairly common among workers under Government. The Unions of Postal Employees have 30,000 members. Unionism has made slow progress among the textile workers, except those of Madras and Ahmedabad cities where they are strongly organised, the total number of organised cotton workers being 30,000. Even now the jute workers in Bengal are poorly organised, the aggregate membership of their unions being about 2,000 only. Up to the end of 1935, 213 unions were registered, with 284,918 members with an income of 5.29 lacs of rupees; these are a minority of the existing unions but include the majority of the vigorous organisations.

On the whole, it may be said that the idea of unionism has already penetrated into a number of industries, and to that extent is widespread in the country. Among the mining and plantation workers, however, there is as yet little or no organisation. The Trade Union Organisation has undoubtedly improved the conditions of workers, particularly in the Bombay Presidency during the past decade, and although some of the strikes have caused them considerable distress, they have also secured for them many important concessions from the employers. But the activities of the unions have up to the present been limited to efforts to obtain the redress of the grievances of their members by representing them to the employers. Most unions include all sorts of benefits for their members in their rules, but very few have been able to do any effective work regarding them.

Very few unions have funds large enough to enable them to give financial assistance to their members during a strike, and no union has yet begun to pay sickness, unemployment, or old age benefits, to its members, although a few unions have very recently started a death benefit fund. Unions in India are not likely to take up these activities to a large extent. The Government in India will soon have to undertake responsibility for conducting them as the State has already done in Europe and America. Some unions conduct monthly or weekly journals in English or in the vernacular, for ventilating the grievances of the classes of workers that they represent, but they seldom deal with general labour problems and their solutions. A few unions among which the Ahmedabad Labour Union, an organisation controlling six separate unions of Ahmedabad textile workers, is the most notable, conduct welfare work and housing and health activities, for the benefit of their members.

Although the union movement is not at present a very important factor in the labour economy of India, the germ of organisation that has taken root is a promise of further organisation, and the influence of a mass movement like the union movement is out of all proportion to its actual size. Gains made by organised labour are constantly extended to unorganised labour to check the further development of unionism or to satisfy the awakened social conscience. The improvement in industrial labour conditions in India is not merely due to the efforts of the union movement, but has been brought about mainly by international conventions made at Geneva and in a lesser degree by the changing social and economic standards and the efforts of the press and the strength of the public opinion. The trade union movement in India has so far functioned chiefly in stating the problems to be attacked, in formulating higher standards for labour, in suggesting methods of reform and in stimulating agitation for these reforms.

The scope for the development of the movement is immense, because, while the total number of workers whose organisation can immediately be taken up is about 4 million, consisting of the workers in organised industries, transport and plantations, only 4 per cent. of them are organised at present, a mere fringe as against the 90 per cent. in England and because even among these a large proportion have grasped only faintly the real importance of the movement. But the movement is severely handicapped at present by a number of difficulties. The first is the lack of education which prevents the workers from taking long views. It is difficult to induce them to spend money by way of subscriptions to trade unions because such expenditure does not yield any clear and quick return, co-operative saving for future benefits makes no appeal to them. Secondly, even if any of them appreciate the importance of subscriptions to unions, their low wages and indebtedness make even small subscriptions a substantial burden to them, so that unions generally find it difficult to secure sufficient funds without outside help. Thirdly, they are divided by race, religion, language and caste.

Jobbers, Sardars, Mistries, and other overseers are deeply hostile to unionism, because they are afraid that it would gradually destroy their power over the workers. Also, the migratory nature of the workers makes it difficult for them to take a keen and continuous interest in any union. Besides their low standard of living and long hours of work leave them neither energy nor time to peruse trade union activities. Finally, some of the workers, discouraged and depressed by bad conditions, cherish communist ideals, and employers are not prepared to deal with their unions.

Some employers have condemned the movement on the ground that it is foreign and therefore unsuitable for Indian conditions. But they forget that modern industrialism, which they are promoting in India, is

itself foreign in character, that it has been imposing on the Indian workers disabilities and hardships similar to those which the Western workers had to suffer in the past, that the Western workers have overcome them successfully by promoting trade unionism, and that no other effective remedy is forthcoming for dealing with those of the former. Even those Indian and European reformers and thinkers, who regard Western institutions as unlikely to suit Indian conditions, continually assert that the salvation of Indian Industrial workers lies in trade unionism. Labour legislation, welfare work, works committees, conciliation boards, etc., cannot go far in protecting the workers, unless they know how to protect themselves. Apart from humanitarian considerations, employers also should welcome it in their own interests. The workers are becoming conscious of their disabilities and the urgent need for organisation and some sort of organisation is unavoidable. The movement achieved responsibility and health in the West only after a bitter struggle and in India, the movement must benefit by the experiences of the West. It is essential to recognise the vital importance of unions as an integral part of the industrial structure of India.

**Recognition of Unions.**— Many employers, however, have hitherto often refused recognition to many unions on the grounds that their members have been only a minority of the workers concerned or that other unions have already been in existence, or that they have included outsiders in their executive, or that they have declined to dismiss certain office bearers, or that they have not registered themselves under the Trade Unions Act. Recognition should mean that the employer recognises the right of the unions to negotiate with him in respect of matters affecting either the common or the individual interests of its members. The employer need not recognise the right of the union to speak for any who are not members of the union and may consider the interests of the unorganised workers. Recognition in the letter must be followed by recognition in the spirit, by a readiness to discuss sympathetically points put forward by the union, by accessibility to its officers, and by the willingness to let them have credit, where credit is due.

All the above reasons for withholding recognition are not tenable. For the representation of the grievances of the workers who are members of a union, the union must always be considered to be competent. Again, although the inclusion of all the workers with common interests in a single union is desirable in their own interests, it is a matter for them, and not for their employer. The endeavour on the part of employers to dictate to unions on the subject of their officers or leaders is also very unreasonable and unwise. The inclusion of some outsiders in the executive of a union is unavoidable owing to the difficulties of the Indian Trade Union movement and owing to the fear, in many cases justified, of victimisation, in the shape of dismissal, fine, wage reduction

and stoppage of promotion, etc., if the grievances of the union members are presented to the employer by workers acting as office bearers of the Union. In every country much of the active work of trade unions, particularly in their relations with employers, is carried on by persons whose livelihood does not depend on the employers' will.

The objection of employers to particular office bearers of a union on the ground, either that they are dismissed workers who are actuated by a desire more for revenge upon the employers than for the promotion of the welfare of the union members, or that they are politicians who have stepped in to misuse the unions for political purposes, can be understood, and such office bearers often prove troublesome to the employers. But experience shows that the hostility of the employees increases their influence and if such unions are recognised, the workers themselves will dismiss their leaders if they are not working for the welfare of the unions. According to the report of the Labour Commission, the unhealthy characteristics of unions are more likely to be removed by toleration than by hostility. Finally, the refusal of a union to register itself under the Trade Unions Act creates a presumption that it is not a *bona fide* body, because registration of a union requires a regular constitution, a periodical audit, the composition of the executive so that a majority may be workers, and the separation of political funds, which can be collected only from those members who are willing to contribute. In return for compliance with these conditions, the union is registered and registration has led in many cases to recognition, as the fact of registration creates a presumption in favour of the genuineness of the union. But there is no certainty about that, and the only effect of the employers' refusal to recognise an unregistered union would be to stiffen its attitude and to delay its registration. Several bills are now on the anvil of legislatures provincial and central to make the recognition of trade unions compulsory.

Several railway trade unions stated to the Labour Commission that the attitude of the railway authorities towards them was not merely of indifference, but even of open hostility, and that the Agents of some railways had been endeavouring to get rid of unions by establishing Joint Works Committees to deal with some of the grievances of the railway workers and by forcing them upon the workers. But the Whitley Committee in England pointed out that it was wrong to try to establish Joint Committees as substitute for trade unions, and that these committees could work successfully in those industries only in which the workers were organised in unions. Though attempts of the Agents are doomed to failure, they have been creating a lot of ill-feeling among the workers and should, therefore, be abandoned. The Labour Commission has suggested that employers should not regard these Joint Works Committees as rival to trade unions and that they should seek



the co-operation of unions, wherever they exist, in establishing and working these Committees.

The future of trade unionism in India, depends mainly upon the efforts of the unionists themselves. The utmost encouragement and help from the public, employers and Government cannot instil vigour into unions which lack vitality. Real strength must come from within. It is essential, therefore, to eliminate the tendency of unionists towards inertia and to train them to play an active part in the proceedings of the unions. The officers of the unions must learn from their errors and gain experience, even at the expense of the efficiency of their work. Efforts should be made to give as many members as possible some share in the work. Meetings should be frequent, even if they are small; regular branch meetings are of more value than the infrequent mass meetings which has little permanent effect.

It is also essential to expand the activities of unions so as to increase the benefits to members and to enable them to play a more active part in the work of the unions. With the exception of a few unions like the Madras Labour Union and the Ahmedabad Textile Union, which have been carrying on various welfare activities, the tendency of unions in India, so far has been to regard themselves as existing solely for obtaining concessions from employers, and to ignore the very important work that they can do by way of mutual help. The Ahmedabad Textile Association maintains two dispensaries and a hospital equipped for surgical work, with accommodation for 30 indoor patients. The expenditure on this work is about Rs. 10,000 annually. The Association maintains 23 schools, which in 1928 had 1458 boys and 76 girls, at a cost of Rs. 36,000. The Association also carried on two boarding schools maintained by subscriptions from other sources. The social betterment department of the union supplements the work of the schools by conducting evening classes in chawls to teach workers reading and writing. Among the unions other welfare activities are a library and a reading room, travelling libraries, four physical culture centres, a volunteer corps, a cheap grain shop, restaurants, a saving bank and a cheap Loans Department. These are all carried on mainly from the members' subscriptions, which are collected by the Mills. The millowners until recently also made an annual grant to the Association for educational purposes.

An equally urgent need is the development of leadership from within the ranks of labour. At present the unions depend for their leaders mainly on social workers, lawyers and other professional and public men though the majority of these honorary workers are actuated by an earnest desire to assist labour, a few of these have interested themselves in the movement in order to secure private and personal ends. The movement could not possibly have reached its present stage, without them, but they do not generally have a sufficient knowledge of the technical

details of industries. They often attempt too much by organising and guiding several unions at the same time and, their work being honorary, have sometimes shown a weak sense of responsibility and a disinclination to do their utmost for the unions.

The movement, therefore, cannot thrive unless it is led by the workers themselves. These leaders should be full time paid officers of the unions as in the West. If they are honorary officers, and have to earn their living, by working in a factory, they cannot afford sufficient time and energy for the work of the unions, cannot show a sufficient independence of spirit in their dealings with employers for protecting the interests of their fellow members, and cannot always act with a full sense of responsibility. What is required is the whole time paid official who has been an actual worker. The present income of many unions cannot meet such charges, but paid officials will increase the income of the unions by means of increasing membership and inducing the members to pay regular subscriptions. A few such leaders of the proper sort have already become available, and many more will come forward if they get opportunities. The present honorary leaders of the movement should do their best to find out suitable men from among the workers to serve as trade union officials, and should give them training for the work.

The qualities required for these positions are literacy, organising ability and a capacity for hard, constant and patient work. The training needed by them is a properly guided comparative study of economic, social and particularly labour problems in India and the west, including labour legislation and trade union history, and an insight into the details of unions' work. In the larger centres it might be possible to start small study circles for groups of say, 4 to 6 men. The Universities in the leading industrial centres could strengthen their contact with the industrial life of the country by assisting in this work with evening classes and extension lectures, and the larger trade unions can be benefited by this work. Deserving candidates should also be given government scholarships for an intensive study at colleges or universities, as their efficiency would be increased by such an advanced training, with freedom from the necessity of earning their living by doing industrial work.

Finally, the linking of the movement with the International trade union movement (*i.e.*, with Paris) provides the opportunity for and will no doubt evoke its assistance in the building and consolidation of Indian trade unionism. Some of the labour delegates and advisers sent to International Labour Conferences at Geneva, by extending their stay in Europe, have been able to secure some training in Western trade union methods. If the labour side of the delegation to these conferences is increasingly composed of actual workers and ex-workers, they can be

assisted at a comparatively small cost to qualify themselves more fully for trade union work.

**Labour Representation.**—Another indication of the influence of the labour movement is shown by the recognition Indian Labour has received at all national and international labour conferences. In the first International labour conference at Washington, D.C., at Genoa and Geneva, Indian labour was equally represented with capital. In all these representations the labour organisations had had the right of selecting their representatives. This right has been exercised to their great advantage.

Labour has also been recognised by the national and provincial governments. Under the 1919 Act one labour leader has always been nominated to the Central Assembly and in all provincial assemblies except in U.P. and Madras. Most of the resolutions for labour legislation in recent years have been brought forward by the representatives of the working classes. Under the Government of India Act, 1935, labour had been accorded representation in all the provincial assemblies as well as the central. The Labour Commission has recommended in 1931, the grant of the franchise to registered trade unions, and if this is accepted, the Trade Union Act of 1926 has to be amended with respect to provisions relating to the political activity of trade unions. The Act of 1926 requires revision in other respects also, as some of the restrictions which were regarded as wise in the infancy of the movement are unsuited to a more advanced stage, and all the limitations imposed on the activity of registered unions and their officers and members should be changed. Also the provision regarding co-operation and trade unions.

## CHAPTER VII.

### EVOLUTION OF FACTORY LEGISLATION IN INDIA.

The proportion of the Indian population employed in industries is still far smaller than that engaged in agriculture. According to the census of 1921, 10½ per cent. of the population was engaged in industries including plantation and 1½ per cent in transport and mining. But of the 10 per cent. a large proportion was engaged in the supply of personal and household necessities and the simple implements of work, and only 1 per cent. was shown in organised industries.

**Industrial Workers in India.**—In 1922 India obtained recognition by the League of Nations, as one of the eight chief industrial countries of the world. As such she is entitled to a permanent seat on the Governing Body of the I.L.O. In the memorandum prepared by Sir Louis Kirshaw of the India Office for the substantiation of India's claims as such, the following figures were given to illustrate the industrial importance of India:—

“Twenty-eight million agricultural workers excluding peasant proprietors; 141,000 maritime workers; lascars, etc., a figure second only to that of the U.K., over twenty million workers in industry including cottage industries, mines and transport; railway mileage in excess of that in every country in the world except the U.S.A.” The figures for the 1931 census show that the number of agricultural workers has increased to nearly 31½ millions. This figure excludes cultivating owners (27 millions), cultivating tenants (34 millions), landlords (over 3 millions). The number of wage earners plus working dependants in industry, trade, transport and mines amounts to 26 millions. Domestic servants number 11 millions. These figures, at the best, must be considered as estimates because even to-day no reliable statistics are available in India to show approximately correct figure of the numbers employed in each branch of the industry in India. The statistics contained in the annual administration reports for factories and mines show that at present only about 1 per cent. of India's population is engaged in industry and are subject to the control of the Factories and the Mines Acts. As far as factories are concerned, it is known that there are thousands of small factories in India which are not subject to any control and no statistics are therefore available to show the numbers employed in such concerns. The factory employees in India in 1894 numbered 349,810, while in 1935, forty years later the figure is 1,610,932. The total number of factories during the same period rose from 815 in 1894 to 883 in 1935.

Although the total number of factories rose by more than 500 between 1930 and 1935, the total of the average daily number employed in all factories during the same period, fell by over 40,000. This is due partly to the introduction of rational or more efficient methods of work. The average daily number of children employed in factories shows a steady fall since 1922. This is due to stricter administration and better inspection and certification after the passing of the Amending Act of 1922. As against 67,628 children employed in 5,144 factories in 1922, the number employed in 8831 factories in 1935 fell to 15,457.

As Mr. Harold Butler, Director, I.L.O. truly remarked "The general standard of living of workers in India depends to a great extent on the prosperity of the peasant and the farmer. Until the country side is better off, it is difficult to say how the standard of living, could be raised rapidly." He added that so many people migrated from the countryside to urban areas seeking jobs and willing to take low wages. This, according to Mr. Butler, was the greatest problem of India, which could be solved only with the improvement of agricultural labour. The peasant problem is the key problem in India. This improvement will inevitably result in the improvement of the standard of living of industrial workers. Thus to obtain a figure for the total proportion of industrial workers in India for comparison with similar figures in the western countries, we should take 1 per cent. employed in organised industries,  $1\frac{1}{2}$  per cent. in transport and mining and 3 per cent. in unorganised industries, giving us a total percentage of  $5\frac{1}{2}$  only. According to the census of 1931 the percentage comes to  $5\frac{3}{4}$ . However,  $5\frac{3}{4}$  per cent. of total population of 350 millions is itself a large figure, and a recent writer states that Indian industrial workers outnumber the entire population of Spain. The existence of over 20 millions industrial workers in India has entitled her to be listed by the I.L.O. as one of the eight most important industrial countries of the world, and has given her a place on its governing body, because as pointed out by the India Office in its memorandum to the League of Nations, the most important test of a country of chief industrial importance is the number of workers likely to be affected by the decisions of the International Labour Office.

A programme of rapid industrial development, however, cannot succeed unless an adequate supply of efficient steady and contented labour is available. The Indian Industrial Commission state "No industrial edifice can be permanent which is built on such unsound foundations as those afforded by Indian labour under its present conditions. The human being remains the most important machine in the production of wealth and in industrial development. These lectures will be devoted to a critical examination of the more important aspects of this problem in Europe and America and applying these lessons with a view to suggesting means for its solution in India.

The solution of the industrial labour problem in India needs expert knowledge and goodwill and the solution must not be delayed. If evolution by goodwill is delayed, the dangers of revolution by violence will become serious. The warning which Mr. N. M. Joshi, the veteran Indian Workers' delegate sounded at the I.L.O. Conference in 1929 is most significant. "Just and humane conditions are still in India, a far off ideal and if evolution is too slow, the attractions of revolution are great."

Social legislation in India might be said to have begun as early as 1835 when Indians were sent out to the colonies as indentured workers. This was followed by plantation legislation in 1863, factory legislation in 1881 and mining legislation in 1901. Since then all labour legislation has been greatly amended and amplified.

The Industrial Revolution in India reproduced from the sixties of the last century some of the most unfavourable aspects of the Industrial Revolution in England at the beginning of the century. An important feature of both the revolutions was the eagerness of the employers for quick returns and easy profits. Profits can be both substantial and just when based on a humane treatment of labour, or they can be immense and unjust when obtained by the exploitation of miserably paid labour. The profits of the Industrial Revolution in India belonged largely to the latter category. The temptation of cheap, helpless, and submissive labour, used to long hours of toil and a very low standard of life, proved too strong for many employers who secured enormous profits by terrible sweating of men, women and children. They were also encouraged to pursue this policy by the prevalence of the doctrine of *laissez-faire*, which although losing ground in England was in full force in India, and which made them believe that industry would be allowed to manage its own affairs as it liked, without any interference from the State.

At that time the policy of the government was to protect the social system from workers rather than to protect workers from the social system, and so legislation was enacted in 1859 and 1860 making workmen liable to criminal penalties for breaches of contract. Even up to the world war, government did not often feel called upon to take action for the protection of labour which went unrepresented in the legislatures and the National Congress. There was no substantial public opinion prepared to agitate for the protection of labour, and on the few occasions when labour measures were brought forward by government, they were strongly opposed by the employers and inadequately supported by the public. Public attention was drawn to the unsatisfactory working conditions in Indian factories and the need for regulating them by law for the first time in 1874, when Major Moore, the Chief Inspector of the Bombay Cotton Department, pointed out in his report, the evils prevailing in the Bombay Cotton Mills. In 1875 the Bombay Government on

the initiative of the Secretary of State appointed a commission consisting of 5 Englishmen and 4 Indians to examine the need of legislation. The commission by a majority reported that legislation in any form was not needed. Two members of the commission, however, the Collector of Bombay and an English doctor, recommended a simple act not merely for the Bombay Presidency but for the whole of India, to enforce adequate protection of machinery prohibition of the employment of children under 8, an eight hours' day, for children between 8 and 14; a 12 hours' day, for adults, including one hour's rest, a weekly holiday and provision of pure drinking water for the workers. All of these recommendations came to be adopted ultimately, but they were in advance of the general opinion of the time. It thus became clear that the movement for the protection of the workers by means of legislation was humanitarian in origin, though some pressure was brought by English manufacturers to place restrictions on their Indian rivals. Owing to this suspicion, pressure from Lancashire has on the whole done harm to the cause of factory legislation in India.

In 1877, a bill was introduced and due to the opposition of mill-owners and others, it was much whittled down in spite of the persistent efforts of Mr. Sorabji Shapurji Bengali, a well known social worker of the time, and of the representatives of the Poona Sarvajanic Sabha and a number of workers, was passed in 1881, in an attenuated form, and came to be known as the First Indian Factory Act. The Act was applicable to all manufacturing premises using power driven machinery, employing 100 or more persons and working for more than 4 months in the year. Employers were prohibited from engaging children below the age of 7 and from making children between 7 and 12 work for more than 9 hours on any day. Four holidays every month were made compulsory for them. "It also provided for the fencing of dangerous machinery, the reporting of accidents and the appointment of special factory inspectors, if necessary, the district officers being ordinarily expected to enforce the provisions of the Act without any addition to their staff. The Act thus did not apply to tea and coffee plantations, to factories using power-driven machinery but employing less than 100 persons, to factories employing more than 100 persons but using no power machinery, and to ginning and other seasonal factories which did not run more than four months in the year. Lastly, it gave no protection to adult workers and left them entirely at the mercy of their employers. It was soon found that the Act was inadequate for dealing effectively with the abuses in the factories, specially as the smaller factories had not been brought under its operation, and as it contained no provisions for sanitation and ventilation and for the regulation of the labour of women. The Bombay Government, therefore, appointed a commission in 1884 to examine the necessity for further legislation, and this commission recommended further protection to children and the grant of protection

to women. In the meanwhile, an international labour conference was held in Berlin in 1890, and as its recommendations were accepted by England, it was thought desirable that they should be put into force in India also. The Secretary of State, therefore, urged upon the government of India the necessity of passing more stringent legislation, and the latter appointed a commission in 1890 to suggest the lines of reform. Mr. S. S. Bengali was a very active member of this as well as of the commission of 1884. The Bombay workers were becoming active now, and they presented a memorial to the Viceroy and the commission stating their demands. At last in 1891, another Factory Act, far in advance of the Act of 1881, was passed and it reduced the number of persons required to constitute a factory under the Act to 50, and empowered provincial governments to reduce the number to 20, provided weekly holidays and a compulsory recess of half an hour at mid-day, limited the hours of women to 11 per day except when women workers themselves desired exemption from this limitation prescribed a recess of  $1\frac{1}{2}$  hours for them, and prohibited their employment at night, fixed the age of children who could be employed at 9 to 14, made the certification of their age compulsory limited their hours to 7 during daylight, and prohibited their employment in dangerous occupations. It made extensive provision for inspection and the imposition of penalties for infringements of the Act, and empowered provincial governments to make rules for the ventilation and sanitation of factories. This Act with all its imperfections remained in operation till 1912.

Nearly a decade after the passing of the Act, a factor was introduced into the hours of labour which could not then have been taken into account. This was the introduction of electric light into the factories. Its first introduction into the Bombay industry coincided with a boom in the yarn market. This made the working of the mill for excessively long hours profitable, and it had been made possible by the introduction of electric light.

The Committee of 1891 had considered the sunrise to sunset hours as normal in India and thought them to be not excessive. But these calculations were now upset. The hours worked in the Bombay industry during the 1905 boom were extremely long, sometimes lasting from 5 A.M. to 9 P.M.; and on an average a  $14\frac{1}{2}$  hour day was worked in the industry during this period. Attention was attracted towards these excessive hours by articles in the press and therefore, a preliminary committee of enquiry was appointed in 1906, and it was followed by the Factory Labour Commission of 1907, which visited all the important industrial centres in India and presented its report in 1908. One of the most interesting facts brought to light in this report was that in many cases the provisions of the Act of 1892 were openly disregarded. In the upper provinces, South Madras, Bengal and Punjab Cotton Mills,



the children worked the same number of hours as the adults; also quite a number of children under 9 years of age were employed in the factories as half-timers. In this connection, one manager of a Calcutta Jute Mill admitted that the mills made no change whatever in their system consequent on the amendment of the factory law in 1891. The North India centres, namely, Agra, Delhi and Cawnpore were specially bad. The average hours worked were over  $13\frac{1}{2}$ . In the Calcutta Jute industry the hours were not excessive, except for the weavers who sometimes worked a 15 hour day; the hours of children were excessive everywhere and the physique of the factory children compared unfavourably with those outside. But the point most keenly discussed at this time was the regulation of the hours of adult males. The majority of the Commissioners, though they did not recommend a legal regulation on this point, found that the labourers suffered from these excessive hours; and they provided for a regulation of the hours of women and children which in their opinion, would automatically reduce the hours of men. Dr. Nair differed from them on this point. A large portion of the evidence showed the advisability of short hours. The excessive hours were defended, chiefly on the score of the "ingrained habit" of the Indian worker to loiter during the working hours. The evidence showed, however, that the habit was itself a necessary corollary of excessive hours. In this connection, an interesting experiment was carried out by the Cawnpore Elgin Mills. These mills, at one time, worked a 15 hour day, but they found it uneconomical and wasteful. So they brought the hours gradually down to 12 and found that the gross out-turn was not diminished, that the men still earned the same pay and that the work was better done. A similar experiment was carried out in the Buckingham Mills in Madras, where the experience of the manager was that 'while they had reduced the working day by three-quarters of an hour (*i.e.*, from  $12\frac{1}{2}$  to  $11\frac{3}{4}$ ) there had been no decrease in the total production'.

In Dr. Nair's opinion not only did the long hours induce loitering and bad work but they were also responsible for the periodic holiday that the labourer took in the country and also his frequent absence from work. These excessive hours were physically very harmful to the workers and they were early "used up". Dr. Nair pointed to the remarkable absence of any elderly men in the factories in support of his contention. They also restricted the possible labour supply in the mills, for only those who could physically endure the strain could be employed.

The commission finally recommended indirect restriction by the creation of a young persons' class with the working hours limited to 12, the limitation of the hours of women also to 12 without any exemption, the reduction of the hours of children from 7 to 6, and the prohibition of the employment of women, young persons and children before 5-30 A.M. and after 7 P.M. Dr. Nair alone advocated a direct restriction of the

hours of adult male workers. The commission pointed out that inspection of factories had proved ineffective and that the provisions of the Act of 1891 had been frequently violated by many factory owners with impunity, because the district officers, who were *ex officio* inspectors, had neither the time nor the special knowledge necessary for this work. It, therefore, recommended the appointment of full time qualified inspectors. The rapid advance of industrial activity in India made this Act also inadequate in a few years. A third Factory Act was passed in 1911, and Dr. Nair's cogent arguments in his masterly minute of dissent did much to influence the legislators. It limited the hours of adult male factories in textile factories only and not in any other factories, to 12 per day and between 5-30 A.M. and 7 P.M., unless an approved system of shifts was in operation. It reduced the hours of children in textile factories to 6. The employment of children before 5-30 A.M. and after 7 P.M. was prohibited in all factories. The hours of women were maintained at 11, but the recess was reduced to an hour. Their employment before 5-30 A.M. and after 7 P.M. was prohibited in all factories except ginning and pressing factories. It brought under its operation also those seasonal factories which worked for less than 4 months in the year. Lastly, it contained a number of new provisions relating to the health and safety of the workers and for making inspection more effective. However, the definition of a factory remained the same under the new Act as under the Act of 1891.

Then came the war, and factory legislation and administration were influenced considerably by it. In the first place, there was a large increase in industrial activity and therefore in the number of factories and their workers. Secondly, the greater demand for labour increased the power of the workers, and the growing unrest due to the rise in their wages lagging behind the rise of prices and the profits of their employers, and other factors, made them more conscious of their power and more reluctant to submit to unsatisfactory conditions of work. Their agitation for improved conditions, therefore, became a powerful force for the first time in the shaping of further legislation. Thirdly, certain defects in the Act of 1911 became prominent, especially the exclusion from its scope of all factories employing less than 50 workers and the exemption of cotton, ginning and pressing factories from all restrictions relating to the work of men. The Indian Cotton Committee pointed out that these defects had led to serious abuses. Fourthly, the Indian Industrial Commission in 1918 drew the attention of Government to the growing public opinion in favour of a reduction of the legal maximum of working hours and recommended an examination of the question.

Finally, after the war, protection of labour became an international problem, as it was recognised that owing to keen international competition in commerce, no country could go on improving the conditions of

its workers without the co-operation of other countries. The Peace Conference appointed a Labour Commission, which emphasised the principles that universal peace could be maintained only on the basis of social justice, and that the failure of any country to make the conditions of its workers equitable made it very difficult for other countries to humanise the conditions of their own workers. The Commission then suggested certain general principles and methods for protecting labour which, all industrial countries could adopt with modification suited to their special circumstances. Lastly, it suggested the holding of an International Labour Conference every year to devise means for progressive improvement in the conditions of the workers of all the participating countries and the establishment of a permanent I.L.O. at Geneva to give effect to the suggestions of the annual conferences.

These suggestions of the Labour Commission were included in the Treaty of Versailles, and the First International Labour Conference was held in Washington at the end of 1919. India, being a member of the League of Nations, has been sending four representatives to these annual conferences, two representing government and one each representing the employers and workers, but all of them nominated by the Government of India. The conferences adopt conventions which the legislatures of the participating countries may or may not ratify, and Legislation is passed to give effect to such conventions and other recommendations of the conferences as are ratified.

This sudden recognition of India as one of the 8 most important industrial nations has made it a matter of national pride and status for her that industrial labour conditions should not remain below the standards laid down by the I.L.O., especially as this office performs the most valuable function of giving world publicity to the conditions in different countries and to the position of these countries with regard to the ratification of its conventions and labour legislation. It has created an international labour conscience, and the international status of countries, is now largely determined by the extent of their compliance with the standards set up by the I.L.O. office. Moreover, workers' representatives from India now come into close touch with those from other countries at the annual conferences, and learn about labour conditions in other countries and the progress of these countries in ratifying the conventions. Through them this knowledge percolates among the workers of India, creating a ferment of new ideas, a reluctance to tolerate bad conditions, and a growing discontent. Employers could oppose the earlier factory legislation in India by stating that labour made no demand for it, but they are now forced to admit that labour demands more and more of it. India's association with the I.L.O. has thus done a great deal to increase the pace of Indian labour legislation and, as the Labour Commission has pointed out, nearly the whole of the present labour code of India dates from 1922.

The Factory Act of 1922 was passed to give effect to the convention, that was adopted at the Washington Labour Conference, with reference to India. It brought under its scope all factories using power machinery and employing not less than 20 persons, and empowered the Provincial Governments to extend its provision to factories employing not less than 10 persons even if they did not use power machinery. The employment of children below 12 was prohibited and children between 12 and 15 were not to work for more than 6 hours per day in any factory. The employment of children and women before 5-30 A.M. and after 7 P.M. was forbidden in all factories. The hours for adults were restricted to 60 per week and 11 per day. Sunday was to be a holiday, but the employers could substitute for it a holiday on any of the three days preceding or succeeding the Sunday, so as to give the workers a holiday on a day of one of their religious festivals. All workers were to be given one hour's rest for work exceeding 6 hours, but if they desired it, this could be divided into two rest intervals of half an hour each. Provisions regarding the safety and health of workers were made drastic, and Provincial Governments were empowered to lay down standards of ventilation and artificial humidification so as to prevent injury to the health of the operatives. Finally, inspection was improved by the appointment of a larger number of technically qualified full time inspectors. The distinction between textile and non-textile factories was abolished and the Act was to apply to all factories alike.

The Act of 1922 was amended in 1923 to remove a small defect in the clause relating to weekly holidays. It was further amended in 1926 and in 1931 in connection with the provision of rest intervals, which were found inconvenient to the employers as well as the workers in certain factories. So the amending Act of 1926 permitted a rest interval of half an hour, only for men working not more than  $8\frac{1}{2}$  hours per day, only if they desired the reduction and the Provincial Governments sanctioned it. The opportunity was utilised to remove two other defects that had come to light. Firstly, the Provincial Governments were empowered to forbid the cleaning of machinery while in motion and to provide for a better reporting of accidents. Secondly, it was made an offence for a parent or guardian to allow a child to work in two or more mills on the same day, so as to enable the Provincial Governments to stamp out this abuse which was growing in certain centres, specially Ahmedabad, owing to the reduction in the hours of work of children and the progressive raising of the minimum age of employment. In the same year, the laws that had been passed in 1859 and 1860, making certain classes of workmen liable to criminal penalties for breaches of contract were repealed. As a result of the recommendations of the Royal Commission on Labour of 1929-30, a very comprehensive Labour Act of 1934 was passed.

Although the Factory Acts have been passed by the Central Government and Legislature, the work of administering them has been entrusted to the Provincial Governments which have also been empowered to frame rules under the Acts and to get supplementary legislation passed with the sanction of the Government of India to enable them to meet varying local needs. The administration is conducted mainly through qualified factory inspectors, who must not be financially interested in any of the industrial establishments under their control. The standard of the enforcement of the Act had steadily improved in recent years according to the report of the Labour Commissions. There are no women inspectors, except one, in Bombay, who is a doctor. With all these defects of enforcement in India, due to a lack of proper public opinion, India leads the Eastern countries in the enactment of protective labour laws. The effectiveness of their enforcement, however, must depend principally upon public opinion.

Protective legislation for minors has been much slower in coming than that for the factory workers. The first Mines Act, passed in 1901, provided merely for the safety of the minors and for the appointment of inspectors. But, owing to the rapid growth in the number of the miners and on the recommendations of the Washington Labour Conference, another Mines Act was passed in 1923. It restricted the hours of work to 60 and 54 per week above and below ground respectively and provided a weekly holiday. Children below 13 were not to work underground. The Act did not prohibit the employment of women underground for the reason that it would have seriously disorganised the mining industry, as nearly 45 per cent. of the underground workers consisted of women. But the need of this reform became clear a little later, as underground work is known to be harmful to women, and has been prohibited in all Western countries. Another defect in the Act was that it imposed no limit on the daily hours of work of the miners. It was feared that any such limitation would also dislocate the industry, as many of the miners, being agriculturists, were irregular workers, and worked only for 4 or 5 days of the week. But the result was that the miners were encouraged to spend long hours underground so that proper supervision became difficult; accidents increased, and the efficiency of the workers suffered. So an amending Act was passed in 1928 limiting the daily hours of work to 12 and arranging for the introduction of a system of shifts. In 1929 regulations were issued prohibiting the employment of women underground in all mines, except the coal and salt mines. In the salt mines, prohibition was to be gradual so as to avoid serious industrial dislocation, due to women working in family gangs, and so it was provided that the number of women employed underground in them must be gradually diminished to nil during ten years. For the administration of the Mines Act, unlike that of the Factories

Act, the central government is responsible and appoints the Inspectors. However, inspection of mines has proved rather inadequate so far, there has been no sufficient check upon the miners' hours of work, and many of them yet frequently exceed the daily or weekly limits. This Act was amended in 1935 and came into effect on October 1st 1935. The main provisions are as follows:—(a) No person is to be employed in a mine for more than six days in any week (b) 54 hours per week or 10 hours in a day for persons employed above ground; (c) 9 hours per day below ground; and (d) employment of children below 15 prohibited.

As regards the railway workers, the International Labour Convention relating to hours of work, ratified by India in 1921, recommended a 60 hours week not only for factories and mines but also for such branches of railway work as might be determined by the competent authorities. This provision has been in operation in railway workshops in which the normal hours have been 48 per week, and in the engineering departments concerned with the maintenance of permanent way, in which the normal hours have varied between 48 and 58, overtime work being done only during emergencies or accidents. But the application of the provision to other branches of railway work was found difficult, and the hours of work in them were not regulated till an Act was passed in 1930, which has limited the weekly hours of continuous workers to 60, and of intermittent workers such as ticket collectors, gatekeepers, watchmen, watermen and sweepers to 84, but which has excluded from these provisions the station staff and the running staff consisting of drivers, guards, etc., who have often to work from 10 to 20 hours in excess of 60 per week without a weekly holiday.

Workers need protection not only against long hours and unhealthy conditions but also against accidents. These are due partly to the absence of adequate safeguards against dangerous machinery, and partly to the carelessness of the workers resulting from miscalculation, or wrong judgment, or deliberate failure to take the necessary precautions or ignorance of the risks involved, or overwork. Accidents mean death, or permanent or temporary disablement, and therefore, waste of economic resources and human energy. Of course, every effort must be made to minimise them by educating the workers and by the development among them of the safety first movement and of safety first devices, but as the number of large industrial concerns increases in a country and as the machinery used in them becomes more complex, provision of compensation to workers for industrial accidents is bound to become an important part of the labour legislation of the country.

The aim of compensation is partly humanitarian. It is to minimise the hardships of accidents by providing the workers with monetary

compensation for permanent or temporary loss of earning power, and by supplying the dependents with compensation in cases of deaths of the bread winners. Experience has shown that workmen's compensation is a powerful factor in lowering the incidence of accidents, because it supplies to the employers the best incentive for providing adequate safeguards for machinery, exercising effective supervision over the workers, maintaining good discipline among them, and providing adequate medical treatment for them, so as to reduce the burden of compensation upon themselves.

A demand for compensation was made by the workers as far back as 1884, when the Bombay operatives sent a petition to the Government of India for this purpose. In 1885, an Act was passed known as the Fatal Accidents Act enabling the dependants of a worker to sue his employer in the case of the former's death by accident. But the Act remained a dead letter as it had several defects. Under it, a suit had to be filed in a civil court, and this meant a heavy expense and prolonged waste of time, which the dependants of a dead-worker could not afford. Moreover, owing to their ignorance and helplessness they had not the courage to sue the employers.

Therefore, in 1910, the Bombay workers again set up a demand for compensation and with the growing power of the Indian Industrial Workers after the War, the demand became more urgent. At last in 1923, the Workmen's Compensation Act was passed, as an experimental measure, as the industrial conditions varied in different parts of India, as reliable data were not available regarding the incidence of accidents and the burden of compensation upon the employees, and as the nascent industries of the country were regarded as being unable to bear this burden. Under it, workmen in organised industries, earning not more than Rs. 300 per month, are entitled to compensation for injuries from accidents arising out of and in the course of their employment, and for contracting certain occupational diseases such as lead or phosphorous poisoning and its sequelae. But no compensation is payable if any injury does not result in disablement for more than 10 days, or if workmen at the time of an accident were under the influence of drink or drugs, or if it was due to a wilful removal or disregard of safeguards or safety devices by them. The Act applies to all workers under the Factory and Mines Acts, workers on railways, tramways, and ships, dock labourers, telegraph and telephone linesmen, underground sewage workers and certain classes of workers in the building trade. Any agreement between a worker and his employer by which the former abandons his right of compensation from the latter, is declared null and void. In the case of a fatal accident the dependants of a dead adult, *i.e.*, a person over 15, are entitled to a compensation amounting to 30 months' wages, subject to a maximum of Rs. 2,500 while those of a minor are entitled to

Rs. 200 only. If adult or minor workmen are completely disabled for life, they are entitled to 42 and 84 months' wages respectively, subject in both cases to a maximum of Rs. 3,500. If they are disabled temporarily, they get  $\frac{1}{2}$  and two-third of their wages respectively. These amounts cannot be seized for debt, and payments to women and minors must be made through a Special Commissioner, who is appointed by each Provincial Government, for the administration of the Act and the settlement of disputes under it, and who is invested with the wide discretionary powers for protecting the rights of both the parties.

A claim for compensation must be lodged as soon as possible after an accident, and within six months at any rate. Unless the rules are specially altered notice of the claim must be given to the employers giving all particulars and before the worker has voluntarily abandoned his employment. If the employer offers free medical examination at reasonable place and time the worker must accept it, but women can insist upon examination by a woman doctor or in the presence of a woman witness.

The Act was amended in 1926 and 1929 to remove certain defects, but no change has been made in the principles or important aspects of the Act. The working of the Act has been on the whole, very smooth, and it has proved to be an unqualified success, with the exception of the facts that up to now workmen and their dependants have not taken full advantage of it, and that the workers' practice of returning to their villages, when sickness overtakes them makes cases of industrial poisoning difficult to detect. However, there has been a remarkable increase almost every year in the number of claims presented under the Act and in the amount of compensation paid by the employers. The success of the Act has been due firstly to its great precision and to the special machinery created for its administration. Secondly, most of the large employers have been quite willing to comply with its demands, and have generally refrained from contesting cases. Thirdly, insurance companies have come forward to give all possible facilities. Fourthly welfare workers in several centres have assisted workmen to receive the benefits of the Act, and in some cases lawyers have conducted their cases without charging fees. Lastly, although the majority of the trade unions have not up to the present appreciated the importance of the Act, some of them have been assisting their members to turn to its provisions in case of need. Adequate insurance facilities are available for employees. Paradoxical as it may sound, protective labour legislation in India has made better progress than similar legislation in Japan, considering that Japanese masses are literate compared with Indian. We will deal with this subject again in the last chapter.

One of the directions in which further protective labour legislation is necessary is the further limitation of hours of work. In France,



Italy, New Zealand and U.S.A., there is a 40 hour week, Australia 44 and in England and other Western countries there is a 48 hour week. The labour associations and labour representatives that submitted memoranda to and gave evidence before the Labour Commission, strongly advocated the reduction of the statutory maximum to 48 hours per week while the employers generally expressed themselves in favour of the retention of the 60 hours maximum, the limit laid down by law. The Commission was of opinion that public opinion would support a reduction, if it could be made without harming industries or the economic conditions of the workers. All the members of the Commission except Sir Victor Sassoon advocated a reduction of hours on the grounds that a reasonable amount of leisure was essential to the factory workers for maintaining health, for developing life as distinguished from mere existence, and for becoming worthy citizens, that a moderate reduction of hours would not cause any appreciable inconvenience or contraction in most industries.

At present, the workers in those industries in which the 60 hour week prevails have little leisure except on the weekly holiday, because the hours of the day remaining after 11 hours are spent in the factory (10 hours of work and 1 hour of interval) have to be spent mostly in going to the factory in the morning and returning home in the evening, cooking and eating meals, the household duties and sleep. The reduction of hours in the past has not only brought improvement in the efficiency of the workers, but has also stimulated the employers to take various steps for improving the efficiency of production and organisation. The majority of the Commission thought 48 hours week too sweeping, as it would make a substantial reduction in wages inevitable, particularly in the textile industry. The employers asserted that until the workers approximated more to the standards of discipline operating in the West, it is unjust to them to establish the 8 hours' working day of the West, and if experience of a moderate reduction of hours proves the practicability and desirability of a further reduction, it would be easier to carry it out then than now.

So the majority of the Commission have recommended a week of 54 hours, consisting of 6 days of 9 hours each or 5 days of 10 hours each, and the sixth day, a half working day of 4 hours and a half holiday, thereby providing some elasticity for the convenience of employers and the workers. The Factory Act of 1934 has given effect to these suggestions.

Holidays with pay are now an established fact for all wage earners in 22 countries. In 1936, alone, general legislation of this kind was passed by seven countries. In some countries, the paid holiday is the workers' constitutional right. Partial application has been given to

the principle of paid holidays in 16 other countries for particular classes of workers. In others the practice has been adopted in voluntary Trade Union agreements.

In Australia and New Zealand many of the decisions of the courts of arbitration contain provisions for paid holidays. In Iraq, paid holidays are the statutory right of all industrial workers. India has not yet adopted the system though taking the country as a whole it would not be incorrect to say that barely 5 per cent. enjoy leave with pay privileges.

The demand for 40 hour week is gaining ground in Europe. In U.S.A., New Zealand and France, it is already established, while in Australia it is 44 hours per week. The case for shorter working week is advocated now on the broadest ground of social policy, and not exclusively from the standpoint of the unemployment situation. According to Mr. Butler "the worker has not received his full share of the fruits of mechanical progress. Although in most industries his productivity has been considerably enhanced, although the pace of operations has been greatly accelerated, the worker as a rule has not received compensation for his additional output in the form of increased wages or of increased leisure. In some countries Mr. Butler adds, the desire for higher wages is stronger than the demand for more spare time; but in all countries the demand for shorter hours as the recompense for higher output and as an offset to increased nervous tension resulting from modern methods of production, is growing in intensity." According to the Indian Factories Act, 1934, the maximum hours permitted for perennial factories have been reduced to nine per day and 54 per week subject to the provision that persons employed on work necessitating continuous production or for production of articles of prime necessity, may be employed for not more than 56 hours in any one week. The maximum hours of work permitted for both uncertified adolescents and children have been limited to five per day in seasonal and in perennial factories. This new Act was brought into effect from January 1st, 1935.

All the new features introduced by the 1934 Act were incorporated as a result of the recommendations of the Royal Commission on Labour. "Adolescents" are a new class created by the Indian Factories Act, 1934, to cover persons between the ages of 15 and 17 who have not secured certificates of fitness for employment as adults and who must continue to be employed as children. The history of factory legislation in India has shown gradual progress, each new Act covering a larger field than the preceding, and increasing the area of protection given to workers, by regulating particular classes of workers and factories and by empowering the Provincial Governments to bring smaller factories under the regulations as the growth of industrialism has shown the

necessity of extending protection and regulation. The Provincial Governments have been given, and have used to some extent, the power of applying the provisions of the law to factories using power machinery and employing less than a certain number (at present 20) of workers and to factories which do not use power machinery but employ a considerable number of workers or conduct dangerous processes. The same policy of steady progress should be continued and it has now become necessary to apply the protective legislation to the two above types of factories. The Government of India has implemented the recommendations of the Labour Commission by the Indian Factories Act, 1934, regarding factories which have been unregulated so far by law. Another Act prohibiting the pledging of the labour of children has been recently passed by the Central Legislature.

Perhaps the most advanced and difficult piece of social legislation attempted in India, is the Payment of Wages Act which was passed by the Central Legislature early in 1936, due to the efforts of Mr. N. M. Joshi. The Act dealt with two main principles: (1) prompter payments of wages; and (2) control of the deductions which an employer may make from the wages of his workmen in respect of fines and services. The C. P. Government passed an unregulated Factories Act in 1937. This Act seeks to regulate the labour of women and children and to make provision for the welfare of labour in factories to which the Factories Act, 1934, does not apply. Children's hours are restricted to seven in any one day and no child can be employed in any unregulated factory except between 8 A.M. and noon, and 1 P.M. and 5 P.M. The hours of work of adult males are limited to ten per day and provision has been made for the grant of a holiday after every period of six consecutive days. Women's hours are restricted to nine per day and they are prohibited from working in any unregulated factory before sunrise or after sunset.

In 1929, the Indian Trade Disputes Act was passed providing for (a) the appointment of Courts of Enquiry and Boards of Conciliation (sections 3 to 14); (b) special provisions with regard to strikes in public utility services (section 15); and (c) dealing with illegal strikes and lockouts (sections 16 to 18). We will discuss the provisions of this Act in detail under the lecture on "Industrial Peace". As a result of the Bombay Departmental Enquiry into the wage cuts and unemployment in the cotton mill industry in that Presidency, the Government of Bombay passed a Trade Disputes Conciliation Act in August, 1934. This Act makes provision (1) for the appointment of a Labour Officer to look after the interests of cotton mill workers in Bombay City, to represent their individual grievances to their employers and to secure redress of such grievances whenever and wherever possible and (2) for the appointment of the Commissioner of Labour as an *ex officio*

chief conciliator to whom the labour officer could bring all cases in which he could not succeed. During the last 3 years under the Act, remarkable results have been achieved and there has been little industrial strife in the cotton mill industry in Bombay City since the Act came into force in September, 1934. During the year 1936, the total number of complaints enquired into by the labour officer amounted to 1370 of which 1062 or 77·5 per cent. ended successfully. The number of workpeople involved in these complaints was about 20,000. The total number of disputes in connection with wages numbered 38 and of these 28 resulted in the workpeople benefiting to some extent. The U. P. is introducing a similar bill this year. The Governments of Bombay in 1929 and C. P. in 1930 passed Maternity Benefits Acts. The U. P. is introducing a bill now on similar lines. The Bombay Government passed the Trade Disputes Act in 1938, prohibiting strikes and lockouts under certain conditions.

The Royal Commission on Labour recommended the setting up of an Industrial Council, which would enable representatives of employers of labour and of Governments to meet regularly in conference to discuss labour measures and labour policy. It was suggested that the council should meet annually and its president should be elected at each annual session. The secretary of the council should be a permanent official responsible to it for current business. The function of the council should be (1) the examination of proposals for labour legislation referred to it and also to initiate such proposals; (2) to promote a spirit of co-operation and understanding among those concerned with labour policy, and to provide an opportunity for an interchange of information regarding experiments in labour matters; (3) to advise central and provincial governments on the framing of the rules and regulations; and (4) to advise regarding the collection of labour statistics and the co-ordination and development of economic research. On the 7th March, 1935, the Hon. Mr. P. N. Saprú moved a resolution in the council of State urging the establishment of an Industrial Council on the lines suggested by the Commission. The Government though admitting the utility of the resolution did not support it and the resolution was lost by 22 against and 7 for.

**Labour Laws in Indian States.**—Few Indian States have any labour legislation but most of them are of little industrial importance. The only states which have more than 8,000 persons employed in factories and mines are Hyderabad, Mysore, Indore, Baroda, Kashmir, Gwalior, and Travancore. Most of these States have a Factories Act which, however, is much below the standard of the corresponding Act in British India. In recent years there has been a tendency on the part of certain capitalists to endeavour to evade the provisions of the Factory law in British India by establishing mills or factories in the territories of

Indian States. There is also the danger of establishments being transferred to Indian States in order to escape factory regulation; efforts are being made by different provinces to obtain the co-operation of the adjoining States. The Royal Commission on Labour stated that if federal legislation were not practicable, efforts should be directed to securing that, as early as possible, the whole of India should participate in making progress in labour matters. For Indian States, the commission thought that the Industrial Council, which they recommended should be set up, would offer a suitable channel for co-operation. Mr. N. M. Joshi pressed at the Round Table Conference the view that as far as possible labour legislation should be a federal subject. Owing largely to his efforts the Joint Parliamentary Committee decided for concurrent legislation. The Government of India Act, 1935, lays down that the following subjects may be legislated for concurrently both by the Federal Legislature and by the Provincial Legislatures:—

(1) Factories; regulation of the working of mines, but not including mineral development (2) Welfare of labour, provident funds, employers' liability and workmens' compensation, (3) Trade Unions, industrial and labour disputes.

The problem of the labour protection in Indian States can be tackled when the Federal Legislature comes into operation and legislates on these matters. The progress of factory legislation in India during the last 16 years will be further discussed in the next chapter on India and the I.L.O. Conventions.

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## CHAPTER VIII.

### INDIA AND THE I.L.O. CONVENTIONS.

On the national plane, the efforts of the working men to lay the foundations of a system of industrial democracy were slowly but surely making themselves felt everywhere before the outbreak of the war of 1914. At this stage, America gave the old world, an active lead in the direction of international social progress. Gompers, the president of the American Federation of Labour, regarded the war as a crusade for human freedom, and American labour was in complete agreement with President Wilson that peace should be used to put the world upon a new basis, political and economic. Thus, the American Federation of Labour, at its annual meeting of 1914, adopted a resolution proposing the holding of an International Labour Conference at the same time and place as the Peace Congress. Copies of this resolution were sent to the International Federation of Trade Unions and to the national trade union organisations of all countries. On the 1st May, 1916, this proposal resulted in a request to the Allied Supreme Council to consider the holding of an International Labour Conference, on the ground that protection of labour became an international problem. It was recognised that owing to keen international competition in commerce, no country could go on improving the condition of its workers without the co-operation of other countries. On the 31st January, 1919, the Peace Conference appointed a Commission on International Labour Legislation to enquire into the conditions of employment from the international aspect, and to consider the international means necessary to secure common action on matters affecting conditions of employment, and to recommend the form of a permanent agency to continue such inquiry and consider in co-operation with and under the direction of the League of Nations. While this Commission was in session, an international socialist conference was held at Berne (2nd to 7th February, 1919) which was attended by 90 delegates representing 25 countries. It was here that was first elaborated a detailed labour charter, including an eight hour day, a weekly rest period, etc. Several other conferences of somewhat lesser importance held either just before, or simultaneously with, the sessions of the International Labour Legislation Commission, all of which advocated the definite establishment by the Peace Treaty of a permanent organisation to deal with International Labour. The Peace Conference took up these ideas and presented them in a form acceptable to the Powers participating in the Peace Conference. The Labour Commission

appointed by the conference, held 35 meetings and drew up its report in two parts. It emphasised the principles that universal peace could be maintained only on the basis of social justice, and that the failure of any country to make the conditions of its workers equitable, made it very difficult for other countries to humanise the conditions of their own workers: The Commission also suggested certain general principles and methods for protecting labour, which all industrial countries could adopt with modification suited to their special circumstances. Lastly, it suggested the holding of an International Labour Conference every year to devise means for progressive improvements in the conditions of the workers of all the participating countries and the establishment of a permanent International Labour Office at Geneva to give effect to the suggestions of the annual conferences.

The two fundamental objects for the realisation of which the League has been created are the promotion of International co-operation and the achievement of international peace and security. But there is also an article, *i.e.*, Article 23 of the League Covenant, which deals with some of the non-political methods of international co-operation and reads as follows:—

“Subject to and in accordance with the provisions of international Conventions existing or hereafter to be agreed upon, the members of the League (*a*) will endeavour to secure and maintain fair and humane conditions of labour for men, women, and children, both in their own countries and in all countries to which their commercial and industrial relations extend, and for that purpose will establish and maintain the necessary international organisations. . . . .” The idea dimly adumbrated in paragraph (*a*) of this Article 23 has been elaborated in Part XIII of the Treaty, the preamble to which defines the objects and scope of the proposed organisation which reads as follows:—“Whereas, the League of Nations has for its object, the establishment of universal peace, and such a peace can be established only if it is based upon social justice; and whereas conditions of labour exist involving such injustice, hardship and privation to large numbers of people as to produce unrest so great that the peace and harmony of the world are imperilled, and an improvement of these conditions is urgently required, as for example by the regulation of the hours of work. . . . .;” and whereas also the failure of any nation to adopt humane conditions of labour is an obstacle in the way of other nations which desire to improve the conditions in their own countries.

It is in response to this desire to provide machinery for the final solution of all social discord that I.L.O. has been created to secure peace between the different layers of human society and entrusted with the task of securing the observance of these principles. It is because of this, that the I.L.O. is justly regarded as an integral part of the

League. These suggestions of the Labour Commission were included in the Treaty of Versailles, and the first International Labour Conference was held in Washington at the end of 1919.

India, being a member of the League of Nations, has been sending four representatives to these annual conferences since 1919 at Washington, two representing Government and one each representing the employers and workers, but all of them nominated by the Government of India. The first International Labour Conference met at Washington on the 29th October, 1919, and sat for a month. India, as an original member of the League of Nations, was among the 39 countries represented. The Indian delegates were Sir Louis Kershaw and Sir Atul Chatterji representing the Government of India, Sir Alexander Murray representing Indian employers and Mr. N. M. Joshi, representing Indian Labour. The conference was asked to consider proposals relating to a number of subjects including the 8 hour day, unemployment, the night work of women and young persons, the employment of children, maternity benefits and industrial diseases. The Washington conference adopted the 8 hours convention, but the Indian delegates insisted that the adoption of an 8 hour day would be too revolutionary a change for the country and would never be accepted by the Indian employers. The Conference therefore agreed to grant a special relaxation in the case of India and it was decided that a beginning should be made by the introduction of a 60 hours week in factories. This attitude argues an absence of self-respect to plead for special concessions as India had done at Washington.

**Object of the I.L.O.**—The I.L.O., like the League, was set up under the Treaty of Versailles. The aim of its founders was the establishment of universal peace based upon social justice: What they had in mind was not the creation of a super-State, but rather of an Association of States, which, through systematic procedure, could enable its members to better labour conditions by international agreement. Consequently, they specified in the Charter examples of improvements they deemed to be urgently required. These were:

“The regulation of the hours of work, including the establishment of a maximum working day and week, the regulation of labour supply, the prevention of unemployment, the provision of an adequate living wage, the protection of the worker against sickness, disease and injury arising out of his employment, the protection of children, young persons and women, provision for old age and injury, protection of the interests of workers when employed in countries other than their own, recognition of the principle of freedom of association, the organization of vocational and technical education and other measures.”

**Guiding Principles.**—They also stipulated nine methods and principles for regulating labour conditions. Though some of these, as for



instance the 48 hour week, have since been attained and even surpassed at that time (1919) all were regarded as of "special and urgent importance." The nine methods and principles were:

(1) The guiding principle that labour should not be regarded merely as a commodity or article of commerce.

(2) The right of association for all lawful purposes by the employed as well as by the employers.

(3) The payment to the employed of a wage adequate to maintain a reasonable standard of life as this is understood in their time and country.

(4) The adoption of an 8 hour day or a 48 hour week as the standard to be aimed at where it has not already been attained.

(5) The adoption of a weekly rest of at least 24 hours which should include Sunday wherever practicable.

(6) The abolition of child labour and the imposition of such limitations on the labour of young persons as shall permit the continuation of their education and assure their proper physical development.

(7) The principle that men and women should receive equal remuneration for work of equal value.

(8) The standard set by law in each country with respect to the conditions of labour should have due regard to the equitable economic treatment of all workers lawfully resident therein.

(9) Each State should make provision for a system of inspection, in which women should take part, in order to ensure the enforcement of the laws and regulations for the protection of the employed.

**A Non-Political Organisation.**—The policy of the I.L.O. is strictly non-political and economically non-partisan, as is ensured by its form of organisation. Only a State can be a member, but under its constitution, the representatives of a State include employers' and workers' delegates. To-day, its membership of 62 States includes every important industrial country except Germany and Italy.

**The Machinery of the I.L.O.**—The machinery of the I.L.O. comprises three parts: (1) the International Labour Conference; (2) the International Labour Office; and (3) the Governing Body.

**The International Labour Conference.**—The Conference, which may best be described as a "World Labour Parliament" meets at least once a year. Usually, the meeting is held in June in Geneva; but special conferences as for instance the maritime sessions to discuss matters pertaining only to seamen, are sometimes held in interim. Each member State is required to send four delegates to the Conference two representing the Government, and one each the employers and workers. The

employers' and workers' delegates are appointed by the Government on nomination of the most representative employers' and workers' organisations.

The chief functions of the Conference are: (1) To consider and discuss the annual report of the Director of the International Labour Office. This report is a survey, from the international standpoint, of the social tendencies of the world and its component parts; (2) To consider specific questions relating to labour conditions, with a view to drawing up international agreements; (3) To receive the reports made annually by member States on the way they are applying agreements made at previous sessions to which they are parties.

**The International Labour Office.**—The International Labour Office is the permanent secretariat of the I.L.O. It is housed in Geneva in a building specially erected for it on a site given by the Swiss Government and the municipal authorities. At the head of the office is the Director, who appoints the staff, now comprising about 450 persons of more than 40 nationalities. The present Director is Mr. John Winant, former Governor of New Hampshire, U.S.A., an American, who helped President Roosevelt in his New Deal policies.

The principal duties of the Office are: (1) to prepare the ground for the Conference by collecting, collating and analyzing all the available data on questions with which the Conference is to deal; (2) to carry out the secretarial work of the Conference; (3) to follow up the decisions of Conferences and generally to act as the nerve-centre of the organisation; (4) to collect and distribute information on all matters relating to the international adjustment of conditions of industrial life and labour; in other words, to act as a fact-finding agency and to make the results of its researches available to the world by publications and correspondence. In response to repeated demands made by delegations of Indian employers and workers at successive sessions of the I.L.O. Conference, an Indian Branch of the I.L.O. was opened at New Delhi in 1928 under the direction of Dr. P. P. Pillai.

**The Governing Body.**—The Governing Body of the I.L.O. is a joint body of government, employers' and workers' delegates. It appoints the Director, controls the office and determines its work and expenditure. The Governing Body also decides what shall be the agenda of the annual Conference. Thirty-two members, who hold office for three years comprise the governing body, these are divided as follows:—

(1) Sixteen Government members eight of whom are appointed by the States of "Chief industrial importance" (India is ranked as one of the eight States of "chief industrial importance"), and eight by the Government delegates of the other States at the Session of the Conference at which the triennial election is held.

(2) Eight members representing employers, elected by the employers' delegates to the Conference.

(3) Eight members representing workers, elected by the workers' delegates to the Conference. Six of the Government members, two of the employers' representatives and two of the workers' representatives must come from non-European countries.

**Nature of Labour Conventions.**—The machinery of the I. L. O. was designed for two purposes—the “legislative” business of drawing up international labour agreements and the collection and distribution of information about labour conditions. The two purposes are closely linked to a large extent the drawing up of agreements is impossible unless the information has already been collected. The agreements, however, are not “legislative” in the usual sense of the word. The delegates at the Conference reach certain conclusions, but those findings do not automatically bind the States which send the delegates. The national authorities are obliged, by Treaty, to consider the findings, but they are free to reject or to adopt them. They have to take their own decision; if they decide to accept them and to bind themselves to observe the findings of the Conference, then they make themselves responsible to the world for seeing that within their territories the findings are carried out. In some cases this result is reached without a Convention being ratified by a State. In a sense, then, the object of the International Labour Organisation is to promote national legislation.

**Conventions and Ratifications.**—To date, over 60 Conventions dealing with such subjects as hours of work, minimum wage, child labour, vacations with pay, workmen's compensation, unemployment compensation and social insurance of different kinds have been adopted by the Conference. During the last three years these treaties have been ratified at a rate of about 50 annually. Countries accepting such Conventions are, of course, free to adhere to or establish higher standards within their own boundaries. In fact, the existence of a common minimum standard protects higher labour standards in any country by tending to equalize production costs as between enterprises competing in the same international markets. In addition, nearly 60 recommendations, supplementing and enlarging the treaties, have been adopted by the Conference.

**Colonial Labour Problems: Forced Labour.**—The International Labour Conference has also dealt with colonial labour problems. In this connection reference should be made to the Forced Labour Convention and the Recruiting of Indigenous Workers' Convention. The Forced Labour Convention was adopted in 1930 and provides for the progressive abolition of forced or compulsory labour, its immediate prohibition for private purposes and its strict regulation for government purposes. France, Great Britain, and Netherlands are among the

Colonial Powers which have ratified the Convention. The Government of India has not ratified but has taken steps to secure the application of its principal provisions.

It is mainly due to the efforts of Sir Louis Kershaw of the India Office that India was recognised as one of the eight States of "Chief Industrial Importance", and given a seat on the Governing body till then occupied by Switzerland. Sir Louis Kershaw was the first representative of India on the Governing Body (1922-26) and Sir Atul Chatterji succeeded him and remained a member for over seven years, during which time he was elected as chairman of the conference and the governing body. A seat on the Governing Body is of great value to India not only as a matter of prestige, but also because it helps to bring into prominence the growing industrial importance of India and the East. Mr. N. M. Joshi, the stalwart veteran labour leader has been frequently elected to the Governing Body by the workers' delegates from all the States. Mr. D. Erulkar of the Indian chamber of commerce in Great Britain was elected as a member on behalf of the employers, so that India is represented on the Governing Body by her Government, labour and employers' representatives.

**Ratification of conventions.**—Article 405 of the treaty provides that the decisions of the conference must be brought before the competent legislative authority of each country within one year after their adoption. Each of the States has to make an annual report under Article 408 to the I.L.O., on the measures that it has taken to give effect to the provisions of ratified conventions. The form in which those reports have to be presented is laid down in great detail by the Governing Body, and the "Article 408, committee" of the annual conference examines these reports carefully and submits its conclusions to the conference itself. This committee has already been able to point out several irregularities, and the system of regular supervision which it has initiated has secured a more faithful adherence to the conventions of Geneva. In 1929, for example, this committee drew the attention of the Government of India, to the fact that the eleven hour night rest period provided under the Washington Convention regarding night work of young persons, did not appear to be expressly secured by legislation in India, and enquired whether it was actually secured in practice. As a result, the Government of India were obliged to re-examine the question and steps were taken to amend the Indian Factories Act to make it conform more closely to the convention. It is also open to industrial organisations of employers or of workers to complain that any Government, not necessarily their own, has failed to secure effective observance of any convention; in such a case the Governing Body may forward the complaint to the Government concerned, and if the reply is not satisfactory, may

order the publication of the entire correspondence, so that public opinion may condemn the defaulter.

As a result of the Tariff Board's enquiry in 1927, it was found that the Indian Cotton Mill industry was directly affected by unfair competition from Japan. . . . In 1927, both in regard to hours of labour and the employment of women and juveniles at night, the conditions of labour in the Japanese cotton industry were distinctly inferior to those of India. It was on this account that the Tariff (cotton yarn amendment) Act of 1927 was passed by the Indian Legislative Assembly. Sir George Rainy, in introducing the bill in the House, said that the object of the Bill was to put off from the Indian market every pound of yarn manufactured in Japan under less favourable working conditions than in India. With the passing of the Japanese Factory Act of 1929, the unfair element in Japan's competition has disappeared, but the Cotton Textile Industry (Protection) Act of 1930 extended the Act of 1927 till the 31st of March, 1933, on the ground that China has then become a formidable unfair competitor to India in yarn production. India has thus taken punitive action against China and Japan where lower standards of labour prevailed and there is no reason to think that other countries will refuse to follow our example when the necessity occurs for them to do so, if our labour standards are lower than theirs and compete with them unfairly.

Twenty-four international labour conferences have been held from 1919 to 1938 and during that time no less than 60 Draft Conventions and 60 Recommendations have been adopted, and 15 of these have found their way to our Statute Book upto June, 1938, as against 30 of Great Britain, 24 by France, 21 by Italy and 17 by Germany. Labour problems on which the conference has taken legislative decision may be divided into three main categories: first problems affecting industry and commerce; second problems relating to migration and maritime work; and lastly, problems dealing with agriculture and of these the first is the most important group; and the proposals of the conference under this head deal with uniform standards of working hours, the employment of women after child birth; minimum age of children for industrial employment; night work for women and young persons; workmen's compensation; weekly rest in commercial establishments; developments and facilities for the utilisation of workers' spare time; general principles of sickness insurance and other matters affecting the welfare of labour. Under the second head, the conference has made definite proposals for the protection of seamen against unemployment caused by the loss or foundering of the ship; for regulation of child labour on board ships; for medical examination of children and young persons employed at sea; for the limitation of hours of work in the fishing industry and inland navigation; and the simplification of inspec-

tion of emigrants on board ship. As regards regulation of labour conditions in agriculture, the effort of the conference has chiefly been to secure for the agricultural worker the same rights and protection as have been accorded to workers in other industries. Unfortunately this last part of the work of the conference has not affected India greatly; if the lot of the agricultural workers and peasants who constitute the backbone of India is improved then as Mr. Butler says, the standard of living of the industrial workers will automatically follow suit.

Let us now consider to what extent India has been affected by the decisions of the conference. Up-to June 30, 1938, India has ratified, in addition to the Berne Convention on White Phosphorus, the following fifteen conventions out of 60 conventions in all: (1) Convention limiting hours of work in industrial undertakings (1919); (2) convention concerning unemployment (1919); (3) convention concerning the night work of young persons (1919); (4) convention concerning employment of women during the night (1919); (5) convention concerning the rights of association and combination of agricultural workers (1921); (6) convention concerning the application of the weekly rest period in industrial undertakings (1921); (7) convention fixing the minimum age for the admission of young persons to employment as trimmers and stokers (1921); (8) convention concerning the compulsory medical examination of children and young persons employed at sea (1921); (9) convention concerning workmen's compensation for occupational diseases (1925); (10) convention concerning equality of treatment for national and foreign workers as regards workmen's compensation for accidents (1925); (11) convention concerning the simplification of the inspection of emigrants on board ship (1926); (12) seamen's articles of agreement; (13) marking of height; (14) night work (women) revised; and (15) underground work (women).

In a large number of cases where India has not found it possible to register formal ratifications with the League authorities, in token of her unreserved adoption of the Geneva conventions, action has been or is being taken in the spirit of the convention. A list of such unratified conventions which have led to legislative or other action of some kind to introduce improvements in existing conditions will include the conventions on the employment of women before and after child birth (1919); on the minimum age for admission of children to industrial employment (1919); on the minimum age for admission of children to employment at sea (1920); on the unemployment indemnity in case of loss or foundering of ship; on facilities for finding employment for seamen (1920); on white lead in painting (1921); on workmen's compensation for accidents (1925); and on repatriation of seamen (1926).

Till the outbreak of the World War, it was the old doctrine of laissez-faire which dominated the policy of the Government of India as

regards all labour matters. Labour went unrepresented both in the legislatures and the country and was itself not properly organised. Mr. C.F. Andrews truly remarked in 1928 "The amelioration of labour conditions in India by direct legislation has gone forward more quickly in the last ten years since the I.L.O., was established than was possible in the fifty years before the I.L.O., was established. Every one of the great land marks in Indian Labour Legislation has been put up since the establishment of the I.L.O."

Two other agencies besides the I.L.O., also inspired the new social policy of India, namely the Trade Union Movement born during the years 1918-1921, and the institution of constitutional reforms in 1919, which provided for 10 seats in all the provincial legislatures except Madras and the U.P. In the central legislature also Mr. N. M. Joshi the veteran labour leader has been nominated from the beginning of 1920 till now. Making allowance for these factors it has still to be conceded that India's participation in the Geneva conferences has been the largest single factor which has determined the course of Indian social legislation.

The results of the legislative activity of both the central and the provincial legislatures under the Government of India Act of 1919 may be summed up as follows:—

- (1) The Wholesale revision of the Factories Act in 1922 and 1934 with subsequent further amending Acts;
- (2) An Act regulating child labour in ports passed in 1922;
- (3) A new Mines Act passed in 1923 with an amending Act relating to shifts passed in 1928;
- (4) The Workmen's Compensation Act of 1923 with two amending Acts passed in 1926 and 1929;
- (5) An Act of 1925 repealing the Workmen's Breach of Contract Act and provisions of a similar kind in the Penal Code;
- (6) The Trade Unions Act of 1926 with a miner amending Act in 1928;
- (7) The Trade Disputes Act of 1929;
- (8) The Act of 1930 amending the Indian Railways Act of 1890;
- (9) The Indian Factories Act of 1934;
- (10) The Payment of Wages Act of 1936. To these may be added the two Maternity Benefits Acts adopted by Bombay in 1929 and by C.P. in 1930 and Madras and Bengal later.

It is true that Indian legislation falls short of International standards in some cases for instance the Washington conference adopted the 8 hours day or a 48 hour week for all Western countries and conceded only 60 hour week or 10 hours a day for India on account of the lateness of her industrial development and industrial backwardness. The

Indian Factories Act of 1934 reduced these hours of work to 9 per day or 54 per week. The 48 hour week attained in the West is yet to be established, though in France the 40 hour week has been established in September, 1936.

What about the other conventions adopted by Geneva which India has not so far ratified? Do these not represent, at least so far as this country is concerned, so much wasted effort, so many abortive attempts to force the pace of social legislation? A convention once adopted by Geneva, even if unratified by a large number of States including our own, yet establishes an international standard which even the non-ratifying countries feel themselves obliged to respect. All countries approach gradually this standard, simply as a result of considering it as the normal standard. In the case of hours convention, we have seen that we have come down from 66 to 54 per week according to the Act of 1934. The 48 hour week adopted by the Washington conference is sure to be adopted by us by the legislation contemplated under the provincial autonomy scheme at least in some advanced provinces. The British Trade Union Congress demands a 44 hour week. The 40 hour week has also been established in the U.S.A. in some States.

Even non-ratified conventions fulfil a social purpose and let us see how they have influenced legislation in India. Some of these have led to considerable social improvements, and in some cases brought about even legislative changes. For instance one of the conventions adopted at Washington dealt with the minimum age of admission of children to industrial employment. The general rule set up by the convention was that children under 14 years of age should not be employed in any public or private industrial undertaking other than an undertaking in which the members of the same family are employed. This was held to be too advanced for Indian conditions. So an amendment was adopted fixing the minimum age for employment of children in India at 12 years. The Government of India was prepared to ratify this convention with two reservations, namely, (1) that the convention shall not apply to factories employing more than 10 but less than 20 persons unless the local Governments so direct, and (2) that transitional regulations shall be made regarding children between the ages of 9 and 12 already lawfully employed in factories. Although this draft convention was not ratified provisions were included in the Indian Factories Act of 1922 and the Indian Mines Act of 1923, prohibiting the employment of children under the age of 12 in factories and under the age of 13 in mines. An amendment was also made in 1922 in the Indian Ports Act so as to make it obligatory on a local Government to make rules prohibiting the employment of children under the age of 12 upon the handling of goods at piers, jetties, wharves, docks, quays, warehouses and sheds. In the same way, the Indian legislature at its session held in



September, 1921, recommended that the Draft Convention fixing the minimum age for admission of children to employment at sea should be ratified subject to the following reservations; (a) that it shall apply only to foreign going ships (irrespective of any tonnage limits) and to home trade ships of a burden exceeding 300 tons and (b) that nothing in the Draft Convention shall be deemed to interfere with the Indian custom of sending young boys to sea on nominal wages in the charge of their fathers or near relatives. Even though on account of these reservations, no ratification was possible, the Government of India has been giving effect to it by executive order and legislation on these lines was passed by Act No. IX of 1931: By the same Act of 1931, it was provided that ship-wrecked sea man should be entitled to his wages until he is repatriated to the port of his departure from India and (c) that he should be paid compensation for the loss of his personal effects up to the limit of one month's wages. The same Act gave effect to the convention passed by the 1926 Maritime Conference concerning seamen's article of agreement. Another maritime convention of 1921 on which action had been taken even though it has not been formally ratified is that regarding facilities for finding employment for seamen. In 1929 the Government of India issued their final orders on the recommendations of the Seamen's Recruitment Committee, eliminating bribery and corruption in the recruitment of seamen, though the evils complained of have not been completely obliterated.

The Government of India have taken beneficial action of some kind or other on the long list of Recommendations made by the various conferences. But at the same time there are certain conventions which are not acted upon like the two agricultural conventions dealing with the age of admission of children and workmen's compensation, in agricultural pursuits. The purpose of the age of admission of children to agricultural convention is to prevent children under 14 years of age from working in any agricultural undertaking during the hours fixed for compulsory school attendance. The Government of India rejected the convention on the ostensible plea that there is no provision for compulsory education in Indian rural areas, and very little even in urban areas. The spirit of the convention, however, is to force those States which have no provision for compulsory education to provide the same and give facilities to children to take advantage of the system of compulsory education. Total rejection of the convention implies an unwillingness or inability to undertake the responsibilities of compulsory education in rural areas.

The other convention obliged a Member State "to extend to all agricultural wage earners its laws and regulations which provide for the compensation of workers for personal injury by accident arising out of or in the course of their employment." This convention was adopted

by the labour conference of 1921, and at that time, India had no Workmen's Compensation Act of any kind. The Workmen's Compensation Act was passed in 1923 and covered workers in railways, factories, mines, seamen, docks, persons employed in building, trade, tea-plantations, etc., but not the agricultural workers. Though the Act was amended later, agricultural workers were not included under the Act and even the Royal Commission on Labour did not give consideration to this subject. Mr. Clow remarked that ratification of this convention would have made it "illegal for her (India) to adopt any proposal for workmen's compensation for the Bombay mill workers unless she was prepared to do the same for agricultural workers in Orissa". There is no reason why the agricultural workers of India should not have reaped the same advantages as industrial workers, though it may have meant greater expense and difficulties in administration in some cases. It is to be hoped that both these agricultural conventions will be ratified under the influence of the new political autonomous governments, who are committed to a policy of protection of all workers including agricultural workers and peasants.

**Holidays with pay.**—The question of allowing industrial workers the right of having annual holidays with pay has recently become of international interest owing to the 20th session of the International Labour Conference held in June, 1936, having adopted a draft convention on the subject of annual holidays with pay, *i.e.*, 6 holidays with pay for every year of continuous service. The Government of India has not ratified this convention. In India, holidays with pay are enjoyed only by a very small percentage of workers, specially in the engineering industry and some of Government factories and in a very few, private factories.

In some cases, the Government of India have taken no action or taken only inadequate action, even in cases where they have ratified International Conventions. For example, although the Government of India ratified some conventions like the Draft Convention concerning unemployment as early as 1921, no new legislation was passed by India, so far or created any machinery to cope with the situation. The explanation offered by the Government of India to the I.L.O. is somewhat unsatisfactory and is as follows:—

The Government of India after taking the opinions of the Provincial Governments declared that the provincial famine codes which regulate the provision of relief for workers unemployed by reason of famine or scarcity were sufficient to meet the country's needs in this respect. Though this state of affairs may have been true in 1921, it is no longer true or applicable. The Royal Commission on Labour admits that there is a growing unemployment both among agricultural labourers and industrial workers. The complete absence of statistics, however,

prevents at arriving at a figure of these unemployed. In no centre in India, it is possible to say how many industrial workers are unable to secure employment; information is equally lacking regarding the number of such workers who may be in the villages awaiting the return of better times.

The Draft Convention required that all available information regarding unemployment should be regularly communicated to the I.L.O. and that free public unemployment agencies with representatives of workers and employers to advise regarding their operation should be created. Regarding these demands the Government of India pointed out that, in the existing unorganised state of Indian labour, it would be impossible to furnish returns of the kind expected in Western countries where labour is fully organised, and that the creation of free employment agencies was thought unnecessary since the demand for industrial labour has for long exceeded the supply and as the unemployment of agricultural labour was unknown in ordinary seasons.

The Government reply continued that on occasions when serious injury is caused to agriculture by seasonal calamities, Government in addition to providing information on openings for employment also provided actual employment and other suitable relief for those who needed it. Government thought that its famine code was an efficient instrument for the economic handling of famines and of employment on a scale for which few Western countries could show a parallel. The famine code, the Government of India added, deals not only with the agricultural labourer, but also with the village artisans and small cultivators who are helped by loans.

Indian labour and public opinion is not quite satisfied with the Government of India's explanation for not taking action under the convention, and the non-establishment of a system of employment exchanges in India was the subject of observations by the Geneva Committee of Experts in 1927, and by the Labour Conference Committee on Article 408 of the Conference in 1929. To the latter committee, the Government volunteered the information that it was undertaking a second enquiry into the matter, and that the view of the Provincial Governments would be considered by the Government of India in the next Report. After that the Whitley Commission on Labour was appointed and further action was deferred till it submitted its recommendations. The Whitley Commission also has recommended no action along these lines. It is, however, incumbent upon the Government of India, having ratified the convention, both legally and morally, to implement the convention by suitable national legislation. The Japanese Government delegate Mr. Mayeda to the 8th session of the International Labour Conference, accused the Government of India with not doing anything in the way of establishing employment exchanges as required by the unemployment

convention which India had ratified on paper. This he did, of course, when the Government of India delegate Sir Atul Chatterjee accused Japan of not complying with the Washington hours convention.

Another instance in which, the Government of India ratified, a convention and took no action is the Draft Convention concerning the rights of association and combination of agricultural workers:—India's ratification of this convention was registered with the League of Nations Secretariat on 11th May, 1923. But no legislative action was taken so far on the ostensible plea that in India persons engaged in agriculture enjoyed the same right of association and combination as other categories of workers, and that there is no provision restricting these rights in the case of those engaged in agriculture. The Indian Trade Unions Act of 1926, does not, however, cover agricultural workers except on tea, coffee, and cinchona plantation. Consequently other agricultural workers in the farms and peasants do not receive the benefit of the Act of 1926 and may be prosecuted both civilly and criminally, just as industrial workers were prosecuted prior to the passing of the Trade Unions Act of 1926. It is true the agricultural labourers are not yet organised in this country, but the adoption of the convention would have facilitated their combination at an early date.

In spite of these shortcomings, the direct result of our association with Geneva may be summed up in the words of Mr. A. G. Clow, who says: "The International Labour Conference, cannot compel countries to accept its conclusions but its procedure and the fact that its Conventions and Recommendations have ordinarily to be submitted to the legislature in each country, ensures the regular examination both by the executive government and by popular representatives of numerous schemes for the amelioration of labour conditions. The submission at intervals of conclusions reached by the conference to the Legislative Assembly and the Council of State has been instrumental in stimulating public interest in labour questions and at times in initiating measures which might not otherwise have been adopted."

Just as in 1920, after the conclusion of the war, there were serious troubles all over India, so also in 1937 within a few weeks of the assumption of office by Congress, there have been serious labour strikes and disputes all over India, for example as in Cawnpore, Bombay, Sholapur, Madras, Madura, Coimbatore and Calcutta. In the last place, the papers of January 11, 1938, report a strike of 3,000 workers including women in the Jagatlal Jute Mills. The same day, there was a strike of 3,000 workers in the Burmah Oil Company of Calcutta. About 10,000 workers of the Hajinagar Naihati Jute Mills have been on strike for seven weeks in January, 1938 and who marched to Calcutta, a distance of 25 miles from Calcutta to wait in deputation on the Labour Minister and the Bengal Premier demanding the setting up of a

machinery under the Trades Disputes Act for the settlement of their dispute. This strike started as a sequel to a protest by mill workers against the introduction of high speed machinery which would automatically result in throwing nearly 70 per cent. workers in the weaving and spinning departments out of employment.

The Madras Labour Minister, Mr. V. V. Giri, himself an acknowledged labour leader, and one of the workers delegates to the Geneva Conference in 1927 has perhaps been the most successful in settling labour disputes in the Coimbatore, Madura and Madras mill strikes. He appointed industrial courts enquiry with District Judges as members and brought about settlement of disputes. During the last eighteen months he has been in office, he has settled more industrial disputes than were effected during the last 6 years or more. His services were requisitioned to settle the Cawnpore dispute, but unfortunately the Madras Government could not spare him at that time.

This spirit of unrest throughout India is only but natural considering that Congress has come into office in seven provinces and the workers and trade unionists expect a lot from them. As a matter of fact, their expectations are partly justified, as many of the Provincial Governments have announced extensive programmes of labour legislation. For instance, the Bombay Government has passed the Trade Disputes Act in 1938 and is examining at the moment the possibility of devising measures for setting up a minimum wage and fixing a machinery for it. They have appointed a Labour Inquiry Committee and are awaiting its report. Meanwhile they are doing their utmost to improve the conditions of labour. Mr. S. H. Jabwala moved a bill in the Bombay Council to provide for the recognition of registered trade unions in the Bombay Presidency. Notice of a similar bill is given in the forthcoming session of the Indian Legislative Assembly. In July, 1935, Mr. R. R. Bakhale one of the recognised labour leaders of Bombay introduced the Shops Bill in the Bombay Council to prohibit the employment of children and to limit the hours of work of young persons in shops and to provide and to limit their early closing. The motion for the circulation of the Bill was lost by 38 to 30 vote, in March, 1936, owing mainly to the opposition of the then Government of Bombay. The Government also thought that this measure should be considered by the new council elected under provincial autonomy. Mr. Hariharnath Shastri president of the Cawnpore Mazdoor Sabha has given notice of the U.P. Shop Assistants Bill to be moved in this session of provincial legislatures. It is estimated that there are over 25,000 shop assistants in the city of Cawnpore alone. This bill seeks to prohibit the employment of persons below 14 and to establish the 48 hour week or 8 hours a day with an hour's rest in the day and the grant of a weekly holiday.

The U. P. Government have introduced a bill for the appointment of a Labour Officer for U. P., on the lines of Bombay, to settle labour disputes by conciliation. Another Government Bill lays down certain restrictions regarding the employment of women workers in organised industry and makes provision for the payment of maternity benefits to them on the lines of Bombay and C. P. legislation. This bill seeks to give effect to the recommendation of the Royal Commission on Labour in India, that maternity benefit legislation should be enacted. Other Provincial Governments have also announced proposal for labour legislation, but as Mr. Butler has pointed out legislation is not the only remedy. The two parties, *i. e.*, labour and capital must directly settle the question between themselves and here the I. L. O. provides a platform for discussion and performs its function. The Government can only fill the gap when it is needed. With a few exceptions all the measures for labour legislation passed till 1936, have been all-India measures, passed by the central legislature, though provincial legislatures were also competent to legislate in labour matters. This is not surprising, considering that some legislatures like Madras and U. P. had no labour representation at all under the Montford scheme, while the remaining provinces had only 10 members to represent labour for all the provinces. In spite of this, two or three private bills relating to industrial labour have been passed by Bombay, C. P., providing for Maternity Benefits to factory workers.

No movement is so important in India to-day, as that of labour except Hindu-Muslim unity and the attainment of Swaraj. Considered from the viewpoint of its effect on society, it is in fact the most significant movement in the whole history of India. Its significance may be judged from the threefold viewpoint, *i. e.*, the working classes, the Indian Society and the world at large. . . . First, the labour movement is showing to the millions of the workers of India as well as to the agricultural workers in India the importance of their existence. It is a means to their economic improvement as well as to the achievement of their political rights and social privileges. The reclamation of the workers who form more than nine-tenths of the total population, implies reorganisation of the industrial and agricultural systems, reconstruction in the political organisation, regeneration in the social institutions and the establishment of an industrial and social democracy which secures social justice to all. Finally, the advent of the millions of Indian workers to Geneva is a source of strength to the cause of labour throughout the world, who are fighting the modern industrial system. They are also a source of strength to the cause of world peace, representing as they do the largest State (excepting possibly China) with a tradition of non-Violence and Ahimsa.

## CHAPTER IX.

### INDUSTRIAL PEACE.

What the Congress Governments in seven out of eleven Provinces have done so far, within the brief time of a year and a half, has brought about a great change in the mentality and attitude of the masses. The process of reconstruction has commenced in all branches of national life. The question of what should be the relationship between Capital and Labour has come to the force, and demands the immediate attention of the Congress Ministries. The problem is now well-nigh acute in Bombay, Bengal and the United Provinces. It is essentially an all-India question with provincial variations. The Congress party is no doubt pledged to ameliorate the condition of the work-people, but it cannot redeem the pledge immediately and at one stroke. The Congress Ministries will have to secure the betterment of the lot of the work-people as an integral part of the more comprehensive objective of industrial progress and peace. Bound though they are by election pledges congress cabinets simply cannot identify themselves completely with the trade unionist demands; as Governments they will have to follow a policy of stern impartiality, they will have to give due weight to all the interests concerned, and they will have to act always consistently with their primary responsibility for law and order and the interests of consumers who constitute the electorate.

Trade unions should realise that they are but one of the three factors in industrial organisation—demand or consumer, the capitalist employer and labour—which are interdependent, complementary and indispensable to each other in our capitalist scheme of society. Where there is poor or no demand, or demand cannot be created, there is no room for an industry. It is not fair to protect industry too much at the expense of the consumer; no wise government or enlightened people will do so. The consumer cannot get a good supply at modest cost if the growth of industry is hampered by irksome restrictions ostensibly meant to safeguard his interests. Industry cannot be organised and run efficiently without healthy and contented work people.

Fortunately, in India there is no basic class conflict between capital and labour. Nor can such conflict—undesirable and unnecessary in any country at any time—be generated in a country where from time immemorial man has been taught that the rights due to him will accrue as a matter of course from his performance of his duty, as his contribution to social harmony. If the employers of India, unlike their

compeers of the West, are imbued with the belief that of the wealth and other advantages and opportunities in their possession they are trustees on behalf of the people and not absolute proprietors. It is also not often realised that the employers in India are not a happy lot, when they are worried over shy and hesitant capital on one hand and labour problems on the other hand. Granted that this is true, Indian labour has still a good case. In Britain and the West, work-people as we have seen in a previous lecture had to fight hard for every one of the amenities they have now secured. It is unnecessary and undesirable to reproduce in India that protracted struggle because employers in India have not learnt the lessons of obscurantism. With the increasing protection of industries and consequent prosperity, employers must not grudge to give all that is necessary to promote the moral and physical and material welfare of the employees. It is often said that the Indian industry cannot bear to grant all the concessions given to labour in the West. This contention seems to be untenable. Labour has very many grievances which are legitimate which can and ought to be redressed by employers and the State. Labour is also suffering from several disabilities which by concerted action can be surmounted. It is a pity, that the Trade Union Movement in India is a merely collective bargaining agency and has not elevated the worker morally and materially as in the West. Now that we have a single political party, *i.e.*, the Congress wielding power in 7 out of 11 Provinces in India, it is necessary that the question of what ought to be the relationship between capital and labour is tackled as an All-India question. Unless this problem is solved in a spirit of equity and justice we will have no social peace and no democracy, for what we need is not mere political democracy alone but social and industrial democracy. Social reform was carried out by Liberals in England during the years immediately preceding the war to establish Industrial Peace. Factory legislation, designed to prevent, for instance, the exploitation of child labour, was at first strongly opposed by many Liberals who still believed in the *laissez-faire* doctrine. But as time went on, Liberals not merely ceased to oppose such State interference, but actually began to put it in the foreground of their programme. Belief in liberty remained as strong as ever; but it was felt that governmental action must be progressively brought into play in order to prevent the occurrence or mitigate the result of conditions repugnant to the public conscience. Thus we find the same Government which, on the grounds of liberty, proposed self-government for Ireland and the curtailment of the powers of the House of Lords, also carrying the Trade Boards Act, which provided for the establishment of a minimum rate of wages in certain sweated industries, and the National Health Insurance Act which sought by means of a compulsory levy on employers and employed, to prevent the destitution to which sickness among members of the working class might otherwise lead.



Thus, there were two main elements in the doctrine of social reform so widely held during the decade preceding the war—first, application of liberty to the communal life (the present economic foundation on which that life is built being retained) second, belief in a certain measure of State interference in order to prevent conditions that shocked the public conscience. When brought face to face with socialistic propaganda, however, the majority of social reformers react either by becoming socialists themselves and if they do not, then they tend to become primarily advocates of industrial peace. Growing consciousness of the power of Socialism has led men of every party to adopt “industrial peace” as the main plank in their programme of industrial reconstruction. They agree that not a few of the evils which socialists discern in our present society do actually exist, but they do not at all agree that the socialist remedy is the true one.

On its economic side—so runs the argument—the social problem largely resolves itself into the simple fact that a great number of workers are on or near the poverty line and are liable, as the result of unemployment, to become actually destitute. Put slightly differently, what the workers really desire is a high and regular income; and it is the absence of it which causes the greater part of the unrest. Now out of production comes the wealth available for distribution in the form alike of profits or of wages. Consequently, the economic welfare of the workers is conditioned, first, by the general method of production adopted; secondly, by the degree of efficiency with which that method functions; thirdly, by the proportion in which the product is divided. Under the first head the capitalist method of production, with the spur which it gives to individual initiative, is the one most likely to result in a high level of production. Under the third head, the share of the workers may be increased by reducing profits; but there comes a point at which further reduction would remove all incentive from the employer. Under the second head—and here is the crux—the capitalist system obviously does not work as smoothly as it might at the present time. Remove the hindrances to its effective functioning, and you increase the sum total of wealth produced, and, therefore, the workers’ share.

What are these hindrances? Chief of all is the fact that the two elements whose co-operation is necessary in any act of production—capital and labour—too often regard one another with suspicion or even hatred, with the result at best, of constant friction, at worst of strikes and lockouts. The essential thing is to get rid of such cross purposes. Let the masters and the men be in constant touch with one another; let them make a sympathetic examination of grievances and difficulties on either side, until at last they come to realize that their true interests are in fact identical—it being to the advantage of labour no less than of capital, that production should be increased to the utmost limit. The

ideal system, then, for governing relations between employers, and employed in any large scale industry such as the textile industry of Cawnpore or Bombay, is a joint conciliation board on which both sides are equally represented. Such a board may meet three or four times a year, even when there is no major matter in dispute, to discuss details of working conditions and should be specially summoned in an emergency, such as the present in Cawnpore, both sides being pledged not to proceed to a strike or lockout until it has had the opportunity of reporting. If a settlement cannot be reached, the board either itself appoints an arbitrator when its members can agree upon one, or asks Government to do so, direct action being delayed until he has given his decision. In other words, a system of compulsory arbitration should be adopted under which strikes are prohibited, all disputes being settled, by a Board consisting of nominees from both sides and an impartial chairman nominated by the Government. If this is not feasible,—a system of compulsory conciliation—which, while not prohibiting strikes, makes them illegal, until the matter has been referred to a similar Board, and judgment has been pronounced. It may be urged that this is a counsel of perfection and the Board would automatically divide along party line.

**Compulsory Settlement of Industrial Disputes.**—We are beginning to expect our Government to take an active part in the settlement of industrial disputes. The Cawnpore strike has provided an occasion for the U.P. Government to appoint a committee of inquiry, on whose recommendations the dispute is expected to be settled. The most common plan, however, in foreign (western) countries is the establishment of permanent boards of arbitration and conciliation. These boards do not have mandatory power. They first proceed to use their influence to bring the disputing parties together for discussion and to use their good offices to suggest terms of agreement. If this process of conciliation fails, the board may offer its services as arbitrator. The disputants are not obliged to accept this offer, but if they do, the board has power to render a binding decision. By conducting investigations, holding hearings, and publishing information with regard to industrial controversies, these boards exercise a large influence upon the formation of public opinion with regard to labour disputes. For instance in 1920, the State of Kansas passed a law creating a State industrial court, and gave this court power to assume jurisdiction over all labour disputes in public utility industries, and in the food, fuel, clothing, mining and transportation industries. The court was clothed with power to investigate, conduct hearing, decide controversies and issue orders for the enforcement of its decisions. This law was, however, declared unconstitutional in 1923 by the U.S.A. Supreme Court.

In the State of Oregon, there are three labour boards, the State board of conciliation and arbitration, the industrial welfare commission,

and the State industrial accident commission and each of these boards is composed of representatives of labour, capital, and the public. In Australia, New Zealand, Canada and some States in the U.S.A. industrial courts are created by the State.

Vigorous arguments against compulsory settlement of industrial disputes of any kind are made by both employers and also employees, but unless there is an enormous improvement in industrial relations which is not the case in India now judging by the vast number of industrial disputes now pending, the State has to step in and establish compulsory courts or tribunals in the interests of industrial peace and the general welfare of the community.

Nevertheless, however, successful we may be in bringing masters and men together, we cannot hope for the desired result, unless we also remove the perfectly definite grievances of the worker, and particularly those which induce him to restrict his output. These grievances fall into two classes—the material and the spiritual. On the material side, a great number of the workers are on or below the level of bare subsistence. They live in constant fear of unemployment, the probability of which increases in direct proportion to the speed with which they finish a job; and they have no guarantee that, if they improve their output, the whole result will not go to the employer. Let the State then guarantee to every man a minimum wage sufficient at least for the bare support of himself and his family, and to every woman a wage sufficient for her own support; let some method of profit sharing be adopted which will give to the worker a material return for his increased energy and efficiency; let there be such a wide and generous scheme of State Unemployment Insurance as shall remove his fear of starvation; and let his spiritual needs be satisfied by giving him some voice in the conditions of his working life, and even perhaps in the management of the business. So production will be increased, and there will be more for all.

To this general idea of industrial peace, the Socialist replies as follows:—

In its essentials Socialism is a cry for liberty; it proceeds on the assumption that private ownership of the means of production gives the owner dictatorship, and places those who must accept employment from him, or starve in the position of slaves. To advocate industrial peace under such conditions is to ask the slave to acquiesce in his slavery; but to do so is degradation. Or, if emphasis is laid not so much on liberty itself as on the means to liberty which is to be found in the possession of an adequate income, then it is pointed out that under capitalism labour is robbed of the wealth which it creates, and that it is absurd for the robbed to produce more for the robber in order that a little may

be given back to him. The majority of modern socialists, when they say that labour is robbed, do not mean that manual labour is the source of all wealth. They mean rather that wealth is the result of a complex process in which natural resources, the labour of brain and hand, and the achievements of past generations co-operate; a process the result of which neither can be allotted to this or that individual in proportion to the part he has played in it (since the latter is unascertainable), nor ought to be so allotted (even if it were ascertainable); but a process, the whole result of which is seized by the capitalist class, which, hands back to the rest of the community only so much as it is willing or forced to restore.

Two items in the programme of industrial peace require detailed consideration. Both are examples of the application of socialistic ideas to capitalist society. The case of profit sharing will make our meaning clear. The socialist considers that the producer of wealth is the community as a whole, a leading part being played by the workers, and that the employer robs the community of it, paying back to the worker just as much as he chooses in the form of wages. He accordingly proposes the abolition of private ownership in the means of production as alone rendering this process possible. The profit sharer, while retaining capitalism, would share, in a lesser or greater degree, his profits with the worker.

The general method is to fix a fair return on the capital of the employer so much per cent.; to fix a standard of wage for the men, to be paid if output is not sufficiently great to yield a return larger than the given percentage; and to pay a bonus on wages in proportion as the profits rise above this figure. There are many varieties of profit sharing; the two most important are the premium bonus system, which pays a bonus to the individual worker on his individual output, and the shop piecework system, which pays a bonus to the workshop as a whole on its production. The Ford Motor Co. of America, Rountree Chocolate Factories in England are some of the examples of profit sharing firms.

The Socialist objects that all profit sharing schemes are anti-social, in that they give the workers an interest in high prices at the expense of the community; that they are directly opposed to the socialist conception of production for use and not for profit; that they appeal to the most materialistic side of a man's nature, whereas socialism makes its appeal to the highest; that they make the slave content with his slavery, and so prevent the growth of the unrest which alone can lead to the inauguration of a better system; and that in particular the premium bonus system encourages cupidity in the individual, and so destroys his solidarity with others in the workshop, while the shop piecework system undermines the Trade Unions in their attempt to impose the discipline on the workers

which is essential if they are to act as a compact body *vis à vis* the employers. The profit sharer, on the other hand, claims that his device gives the worker a real stimulus to increase production and so to create a fund which will render a higher standard of living possible; that it is foolish to sneer at its materialism, since a good and regular income is quite obviously what in a commonsense world every one desires; and that if profit sharing stops unrest, so much the better, because unrest is in itself a bad thing, and provides just the desired opportunity for every kind of agitator and revolutionary.

So with joint control. The Guild Socialist argues that each industry should be controlled by all its hand and brain workers, organised into a self-governing body and carrying on production, not for its own profit, but for the use of the community.

The Whitleyite, while retaining production for private profit, would associate in control the employers and workers of each industry. The Whitley report advocated the setting up, in industries sufficiently well organised, of a Joint Standing Industrial Council, composed of representatives of employers and employed, the appointment of the chairman being left to the council itself. Similarly there should be District Councils developed out of the existing machinery for negotiation in the various trades and works committees, representative of the management and of the workers employed. The following questions were suggested as among the most important which the National Councils should either take up themselves or allocate to the District Councils or Works Committees:—

- (1) The better utilization of the practical knowledge and experience of the workpeople.
- (2) Means for securing to the workpeople a greater share in the determination of the conditions under which their work is carried on.
- (3) The settlement of the general principles governing the conditions of employment including the methods of fixing, paying and readjusting wages, having regard to the need for securing to the workpeople a share in the increased prosperity of the industry.
- (4) The establishment of regular methods of negotiation for issues arising between employers and workpeople, with a view both to the prevention of differences and to their better adjustment when they appear.
- (5) Means of ensuring to the workpeople, the greatest possible security of earnings and employment, without undue restriction upon change of occupation or employer.
- (6) Methods of fixing and adjusting earnings, for piecework, prices, etc., and of dealings with the many difficulties which arise with

regard to the method and amount of payment apart from the fixing of general standard rates covered by para. 3.

(7) Technical education and training.

(8) Industrial research and the full utilization of its results.

(9) The provision of facilities for the full consideration and utilization of inventions and improvements designed by workpeople, and for the adequate safeguarding of the rights of the designers of such improvements.

(10) Improvements of processes, machinery, and organisation and approximate questions relating to management and the examination of industrial experiments, with special reference to co-operation in carrying new ideas into effect, and full consideration of the workpeople's point of view in relation to them.

(11) Proposed legislation affecting the industry.

The majority of Socialists (and in particular Guild Socialists) maintain that these councils (of which a number have been formed) give the worker no control whatsoever over policy; that the whole idea of joint control assumes that the interests of the two sides are identical, whereas, in fact they are diametrically opposed, capital having everything to gain by the retention of the present system, labour everything by its abolition; that the right policy for labour is not to combine with capital, even under a genuine system of joint management, but to keep itself a separate entity over against the employers in order to wrest more and more from them; that Whitleyism must tend to make the workers and employers in an industry combine to put up prices at the expense of the public—which is the antithesis of Socialism; and that by so much as it succeeds in improving the relations between employers and workers, by so much does it divert the exploited from their true aim of expropriating the exploiters. For the Guild Socialist such a device as Whitley Council's is no step in the direction of control. Real steps of this nature, according to him, are to be found in absolute workers' control over however small a part of industrial life—for instance, control of discipline and the appointment of foremen by workers' committees—the experiments in collective contract and the like. The Whitleyite, on the other hand, considers that a widespread adoption of the recommendations of the Report would give the workers the real sense of control promote industrial peace, and so remove one of the chief barriers to that increased production which again is to provide the fund for higher wages. The antithesis is a perfectly clear one. The avowed aim of the signatories of the Whitley Report was to promote industrial peace; and it was to serve this end that joint control through the medium of industrial councils was proposed. The avowed aim of Guild, and of most other, Socialists is to give the control of industry into the hands

of the organised producers; and they maintain that the desired result can only be achieved by a close struggle terminating in the overthrow of capitalism and the inauguration of production for use in place of production for profit, of public in place of private ownership, of industrial self-government in place of industrial autocracy.

No one can suppose that this system of joint control and Whitley Councils would be immediately applicable to India, where the gap in intelligence and education between employers and employed is much greater than it is in more highly industrialised countries. But it is, nevertheless, the ideal which both capital and labour should aim at. Under this system, both profits and wages have risen in many industries in Great Britain, as the result of the peaceful conditions obtaining in it. The industry will settle its own differences on the principle of give and take.

It must also be admitted that no trade dispute can obtain a reasonable and satisfactory settlement, either by force of voluntary agreement, without involving the interests of the general public as consumers. In other words, whatever mode of settlement of a trade dispute is adopted, adequate opportunity must be afforded for the effective representation of these wider economic interests. Some claim that a completely socialised Society can secure industrial peace with justice. That means State Socialism or some self-government of industry as a whole such as that suggested by Mr. G. D. H. Cole. The known weakness both of bureaucracy and parliamentary democracy would make it practicable for the State ownership and management of industry. On the other hand, it is equally impossible to envisage the satisfactory working of an industrial government, independent of the political State, or merely related to it by the obligation to pay taxes for its support. The States' part in its relation to industry should be to assist in securing a subsistence wage for labour and capital, to remove, either by preventive methods or taxation those surplus profits which are the bone of contention between capital and labour, or between stronger and weaker trades, to utilise them for social services and for emergency aids to industry and to provide pacific modes of settlement for such disputes as might continue to arise.

At the close of the war, the British Government set up a National Industrial Conference, with representatives of capital and labour from the principal trades and with an element of disinterested experts. The committees of the conference began with recommendations of standard wages, hours and other conditions of employment. This experiment was, however, discontinued after a time. The creation of a similar body for India was recommended by the Royal Commission for labour in 1931. Though a resolution was moved in 1935 by Mr. Sapru urging the establishment of an Industrial Council, the Government of India

thought it premature and the resolution was lost. The functions of this Industrial Council would be—

(1) the examination of proposals for labour legislation referred to it and also to initiate such proposals;

(2) to promote a spirit of co-operation and understanding among those concerned with labour policy, and to provide an opportunity for an interchange of information regarding experiments in labour matters;

(3) to advise Central and Provincial Governments on the framing of rules and regulations; and

(4) to advise regarding the collection of labour statistics and the co-ordination and development of economic research.

**Regulation of Rates of Wages and Minimum Wage Laws.**—That brings us to the question of a living wage or minimum wage. Many in this country think that the question is not one of practical politics, as Indian industries in their infancy and with many difficulties, cannot bear the cost of such legislation. Wage rates in the industrial countries of West are mostly based upon union rates—accepted both by employers and employees—trade agreements, awards by arbitration or conciliation boards or, in countries which have Trade Boards Acts for the fixation of Wages in unorganised industries where association of workmen is weak, upon the decisions of Trade Boards. In India, none of these methods of wage fixation obtain and the employer is more or less free to fix any wages which he likes or, at the most to bargain with his prospective workmen on the basis of supply and demand.

The regulation of *rates of wages* has not been yet considered to be a proper function of Government in this country, and an effort is being made in this direction specially when it could be shown to have close relation to public health, safety and morals. Several countries have adopted minimum wage laws applying only to women and children (and a few for all workmen), for in the case of women and children it is felt that inadequate wages contribute to the undermining of the physical vitality of the next as well as of the present generation, and also to the prevalence of immorality. The welfare of the State demands that the useful labour of every able-bodied workman should, as a minimum be compensated by sufficient income to support in moderate comfort himself, a wife and at least three minor children, and in addition to provide for sickness, old age and disability. Under no other conditions can a strong, contented, and efficient citizenship be developed, under existing conditions in India, such an income is not received by many of the wage earners employed in any industry. The natural resources of India are such that an industrial population properly educated and efficiently organised can produce enough to achieve a respectable standard of living, if not the ideal standard stated above, which pre-



vails in Western Europe and the U.S.A. The fixing of the wages of adult workmen by legal enactments becomes necessary as a general policy, to insure at least a minimum standard of living compatible with health and safety. A just standard of wages in any industry or occupation can best be reached by the mediation of the State, in order to establish industrial peace and social justice.

The Royal Commission on labour in discussing the possible application to India of the minimum wage convention adopted at the 1928 session of the International Labour Conference, the commission were of opinion that the convention "in referring to trades in which wages are exceptionally low, must be regarded as having in view trades in which wages are low, not by comparison with Western or other foreign standards but by comparison with the general trend of wages and wage levels in kindred occupations in the country concerned." If the principle of the minimum wage were to be applied to India they considered that it would first be necessary to create machinery for fixing minimum rates of wages in those trades in which wages are lowest and where there is no question of collective bargaining. The industries indicated for a careful study of conditions are Mica, Wool, Cleaning, Shellac, Bidi, Carpet-weaving and Tanneries and those in which there is a strong presumption of sweating and that the conditions warrant detailed investigation. Such Sweated Trades should be demarcated and the number and composition of wage boards should be decided. In the setting up of wage boards important criteria for consideration should be the cost of enforcement; and the policy of gradualness should not be lost sight of. Suitable legislation is recommended.

Of course, there are those like Mr. Cole who object to the wage system as an institution. Even the displacement of the capitalist system by some form or other of socialism would still involve the problem of the distribution of wealth. Would this be affected by means of some fashion of wage system or not? The reply to this question must be based upon a consideration of the extent to which the payment of wages is successful in promoting human welfare, as compared with other methods of distribution. What are the alternatives to the wage system? The most important of the principles assumed by those who desire the overthrow of the wage system seem to be (1) equalitarian distribution; (2) fixation of incomes, independently of the demand for various men's labour; this might, but need not be identified with equalitarianism, and (3) the workers' right to control the conditions of his labouring day. At the same time it must be admitted that there are defects and abuses operating within the wage system. Some of them are remediable, others are not. But the alternatives to the wage system are equally defective and have not been tried out adequately anywhere. The Guild System and State Socialism are yet in the experimental stage and their experiences

are of too short a duration to form any conclusions. In any case for considerably long time to come it appears as though the wage System cannot be supplanted in India for an alternative system due to lack of education and the influence of traditions. At the same time, an effort must be made to improve the wage system and remedy some of its defects. Suggestions for that improvement are made by the "Social Reformers". They include the acceptance of the principle of the living wage, conferences between workmen and employers, co-partnership providing workers with a share in profits, ownership and management, legislative protection of the interests of workers and of employers, etc.

The question of paramount importance is the welfare of the human race. Methods are of secondary consequence. If the wage system is proved to be no longer the best method, even within a restricted area, by all means let it go. The wage system with all its faults seems to be a necessary evil for the present conditions, in India.

Before 1900, in England, under the influence of the doctrine of laissez-faire, the ordinary working man was expected to provide for the maintenance of himself and his family to make arrangements for their welfare in all contingencies. The State did, indeed, make certain regulations regarding the employment of women and children; and it set up schools to which parents were compelled to send their children. But State supervision did not exist except in name. The wages a man received, the work he did, and the conditions in which he did it, the provision he made for his old age or for periods of enforced idleness due to sickness or unemployment, these were all matters of individual responsibility. If his own resources proved inadequate to meet any misfortune which overtook him he might apply to some charity for temporary help; the only duty accepted by the State was that of preventing starvation. Those who were actually destitute might apply for poor relief. In India, this state of affairs actually prevails even to-day and the State has not accepted the provision of poor relief or of preventing starvation. India, then, is half a century or more behind England in social legislation.

At the present time, on the contrary, in England and the West generally, there is hardly any province of a workers' life and affairs, which is not substantially affected by legislation. The wages of a big proportion of workers are now fixed by statutory bodies; a series of insurance schemes offers some measure of security against sickness, old age, unemployment and the loss of the bread-winner; housing has been undertaken by public authorities and rents have been subsidized in the interests of the wage earners; the period of school life has been prolonged and more and more varieties of education made available to working class children. In short, the last forty years have witnessed an unprecedented increase in the part played by the State in the day-to-

day affairs of the working man. How has this transformation taken place? How far is it the deliberate development of conscious aims and principles, and by what process have these principles won their way from the plane of social theory to that of legislative fact? The State in India has not yet tackled many of these problems and is still guided by the laissez-faire doctrine in many matters, because the State has not yet realised in India that the working people who constitute 9/10 of the population of this country are in a chronic state of want of the bare necessities of life and that it is the duty of the State to remedy this condition. Organised society should do for its members what they are unable, either as individuals or as members of voluntary associations to do for themselves; that is to obtain bare necessities of life including education and a decent standard of living.

**Cost of living and Standard of Living.**—This brings us to the question of standard of living of Indian workmen. Bombay was the first province in India to compile and publish monthly cost of living index numbers of working classes. The aggregate expenditure method has been followed in compiling the index. In all, 24 items representing food, fuel and lighting, clothing and rent, have been included in the index and account is taken only of the effect of the changes in the prices without any reference to changes in the standard of living since July, 1914, which is the base period when it was 100, and the figure for 1936 was 102. A revised cost of living index for Bombay City based on the results of the enquiry into working class family budgets in Bombay City 1932-33, published in 1935 is under consideration of the Bombay Labour Office and the Bombay Government. Working class cost of living indexes for Ahmedabad and Sholapur have been compiled on a post war basis and published in the Labour Gazette month to month since the beginning of the year 1928. The bases of these indexes are the results of the family budget enquiries conducted at these two centres in 1926 and 1925 respectively. A beginning has been made in recent years by the C.P. and Burma to publish similar index numbers.

The results of family budget enquiries conducted by what is known as the 'extensive method' form the most satisfactory basis of determining the standard of life of any particular class or community. A higher standard of life means better opportunities to satiate wants and desires other than the primary human needs. A larger percentage of expenditure on clothing, housing and miscellaneous items such as education, recreation, etc., is, therefore, a sure indication of an improved standard of living. The Bombay Labour Office has carried out two family budget enquiries for working classes in Bombay City, one in 1921-22 and the other in 1932-33 and the results were published in the years 1923 and 1935 respectively. Similar enquiries have also been conducted in Ahmedabad and Sholapur cities and the results of both these enquiries

were published in the year 1928. A number of family budgets have also been collected at Cawnpore and at Nagpur and Jubbulpore with the object of compiling cost of living indexes. The following comparative data regarding the distribution of expenditure would serve to indicate the standards of life of working classes at different centres in India:—

*Percentage of Distribution of Expenditure.*

GROUPS	Bombay 1932-33	Ahmedabad 1926	Sholapur 1925	Nagpur 1927	Jubbulpore 1927	Rangoon 1928
Food	46.60	57.90	49.25	64.10	66.00	52.7
Fuel and light	7.11	7.04	9.60	9.62	7.95	5.2
Clothing	7.75	9.45	11.86	10.70	10.86	10.6
House rent	12.81	11.74	6.27	1.92	1.44	13.9
Miscellaneous	25.73	13.87	23.02	13.66	13.75	17.6
Total	100	100	100	100	100	100

The standard of life is more often than not conditioned by the size of the family and its income. The following figures are of interest in this connection:—

	Bombay	Ahmedabad	Sholapur	Nagpur	Jubbulpore	Rangoon (Burmese)
Average size of the (in persons) family.	3.70	3.87	4.57	4.33	3.76	3.01
Average monthly income.	50.1.7	Rs. 44-7-2	Rs. 39.14.10	..	..	58-8-3

It will be seen that the "Miscellaneous" group of expenditure accounts for a comparatively large percentage of the expenditure of the average working class family. In this group is included such items, as interests on loans and instalments of debts repaid. Delays in the receipt of earned wages lead to indebtedness of the worker in many cases. The Payment of Wages Act, 1936, is a measure intended to secure to the workmen prompt payments of earned wages so that they may not be put to the necessity of incurring or accumulating debts. Following the recommendation of the Labour Commission, the Government of India have amended the Civil Procedure Code with a view to exempting salaries below a defined limit from attachment.

**Relation between Labour and Employers in India.**—Strikes on a small scale occurred in factories in India as early as 1882 in a textile factory in Bombay in 1882. In general, such strikes were rare till the

end of the Great War. In 1919-20, there were a large number of strikes all over the country. Summary statistics of industrial disputes for the main industries are incorporated in the following table:—

*Consolidated Statement of Industrial Disputes for the Quinquennium, 1921-25.*

Industries.	Number of disputes	Number of workers involved.	Man days lost.
Cotton, spinning and weaving ..	505	815,341	24,967,386
Jute ..	146	575,570	3,454,356
Engineering (excluding Ry. workshops).	65	71,590	10,31,179
Railways (including Ry. workshops).	59	135,254	3,687,504
Mines ..	29	30,632	261,198
Others ..	350	291,327	3,915,681
Total	1154	1,919,714	37,317,904

200 strikes out of 1154 or 17 per cent. of the total ended entirely in favour of the workers and 762 or 67 per cent. in favour of the employers. In 179 or in 16 per cent. of the disputes were only partially successful. No statistics are available to show the extent to which trade unions in India played a direct or indirect part in conducting these disputes or in bringing about settlements but it appears that except in the case of some bigger strikes, their influence seems to be very small indeed. As far as the causes of the strikes are concerned 641 strikes or 55 per cent. of the total number of disputes during 1921-25 arose over questions of pay and bonuses, 239 or 21 per cent. over matters connected with "personnel" and 274 or 24 per cent. over other matters.

The Industrial Disputes Enquiry Committee appointed by the Government of Bombay, mentioned in 1922 the following as the chief characteristics of Bombay strikes and they continue to be the characteristics, in the main of strikes in India:—(1) The frequency of strikes without no notice; (2) The lack of clearly defined grievances before resorting to strikes; (3) The multiplicity of demands brought forward after the commencement of strikes; (4) The lack of effective organisation to give shape to the demands of the workers and to secure their compliance with any settlement that may be arrived at; and (5) The growing cohesion among the employers and among the workers, and the ability of the latter to continue strikes for prolonged periods in spite of the absence of any visible organisation. Further, many of the strikes have had extraordinary duration owing to the facts that the strikers were not solely dependent upon earning industrial wages and returned to their villages to resume their traditional occupations; and that those who

did not actually do so were keyed up by the confidence that they could so if they desired.

Owing to the growing frequency and importance of disputes between the employers and workers the Government of India has established a Labour Bureau in 1920 (but had to retrench it in 1923), the Government of Bombay and the U.P. a Labour Office, the Government of the Punjab a Board of Economic Enquiry, and the Governments of Madras and Bengal have appointed a Labour Commissioner and a Labour Intelligence Office respectively, for collecting reliable statistics and information regarding workers' cost of living, wages, hours of work, family budgets, strikes, and lockouts for taking part in the settlement of disputes and for suggesting new legislation and modification of existing laws.

To turn now to the schemes that have so far been devised for preventing industrial disputes and settling them, since 1920, in several Government and private industrial concerns, works committees, consisting of members elected by the workpeople to represent them and those appointed by the management to represent it, have been in existence. These enable the workers to bring their grievances to the notice of the management through their representatives on the committees and also enable the management and the workers to keep in better touch with each other, leading to a better appreciation of each others' difficulties and minimising the chances of misconceptions and strained relations. Although the Bombay Industrial Disputes Committee of 1922 expected much from such works committees and advocated their formation wherever possible, they have so far obtained little success.

Due to the efforts of Mahatma Gandhi, since 1920, a permanent arbitration board has been in existence at Ahmedabad composed of one representative each of the Millowners' Association and the Labour Union of the workers belonging to the different mills. All the demands of the workers are first discussed between them and the managers of the mills to which they belong. If the discussion fails to produce a settlement the matter is discussed between the Millowners' Association and the Labour Union, and if this also does not lead to a settlement, the matter is finally considered by the arbitration board. If the two arbitrators do not agree, the question is referred to a third person in whom both have confidence and its decision is binding. This machinery has proved successful owing to favourable conditions which do not exist anywhere else. They are, firstly, that the employers and most of the workers have the same vernacular, religion and ancestral homes and secondly, that Mahatma Gandhi, the labour representative on the Board, has enjoyed a wonderful personal influence with the employers as well as the workers, owing to his political and spiritual ideals and unquestioned impartiality.

Courts and Committees of Enquiry were also appointed by some Provincial Governments and obtained a fair measure of success. As a result of the recommendations of these Courts and Committees, and after prolonged discussions between the Government of India and the Provincial Governments, the Trade Disputes Act was passed in 1928, to remain in force till 1934.

The Act of 1929, like similar legislation in England, has not provided for compulsory arbitration, but considers public opinions as an important influence in ending disputes. It has provided, therefore, for the appointment of Courts of Enquiry, or Conciliation Boards, by the Provincial Governments and the Government of India. The former consist of one or more independent individuals, the latter of an independent chairman and other members who may be independent or who may represent the disputing parties. Their function is to examine the disputes referred to them to attempt to settle them and to help the formation of a well-informed public opinion on them by a clear framing of the issues involved in them and by discussing the merits of the issues. The Court of Enquiry as well as the Conciliation Boards are empowered to compel the attendance of witnesses and the production of evidence and although they can be appointed without the consent of the parties to the disputes, neither party is bound to accept their findings or recommendations. This is the first part of the Act.

Its second part makes punishable, by a fine or imprisonment, sudden strikes in public utility services and provides that one month's notice of quitting work must be given by workers engaged for monthly wages in the postal, telegraph, telephone and railway service, in industries supplying water or light to the public, in any organisation of public conservancy or sanitation, and in any industry which the Government of India, may declare to be a public utility service. This is meant to give time for the consideration of the grievances of the workers and to maintain public health and safety whenever any disturbance in the supply and the necessary amenities of civilised life is threatened.

The third part declares illegal, stoppages of work by means of strikes or lockouts with objects other than the promotion of an industrial disputes, or for coercing Government directly or by imposing hardships upon the public, deprives persons taking part in such stoppages of the protection given by the Trade Unions Act and provides for their punishment and protects persons declaring to take part in the stoppages from trade union disabilities which may otherwise be inflicted upon them. The first part of the Act has so far been invoked on four occasions, but the results have been rather disappointing. No prosecutions have so far been launched under the other two parts of the Act. The life of the original Act was limited to five years, but by an amending Act, in 1934, it has been made permanent. The Government of India are

considering a further amendment of the Act, in connection with the Royal Commission's recommendations for the appointment of the Conciliation officers, whose duty it would be to undertake the work of conciliation and to bring the parties privately to agreement. There is a demand for the enactment of legislation providing for the compulsory reference of all industrial disputes to arbitration and for the enforcement of the decisions of the arbitration courts upon the disputing parties on the ground that the workers cannot express their grievances clearly and urge their reasonable demands effectively owing to their want of organisation. But the primary objection to such compulsion is that it would generate in most industries a tendency to depend upon some external authority for the maintenance of industrial harmony and to discourage the settlement of disputes by the industries themselves.

By far the most important result of the report of the Bombay Departmental Enquiry was the passing by the Government of Bombay of a Trade Disputes Conciliation Act in August, 1934. This Act makes provisions for (1) the appointment of a Labour Officer to look after the interests of cotton mill workers in Bombay City to represent their individual grievances to their employers and to secure redress of such grievances whenever and wherever possible; and (2) for the appointment of the Commissioner of Labour as an *ex officio* chief conciliator to whom the Labour Office could bring all cases in which he could not succeed. The chief conciliator is given powers to summon parties and witnesses and to call for such documents as may be necessary. Although the functions of the chief conciliator were to bring about an agreement between two opposing parties, he has come to be regarded almost as an industrial judge whose decision has so far been mostly accepted by both the parties to a dispute. During the year 1936, the total number of complaints enquired into by the Labour Officer amounted to 1370 of which 1012 or 77·5 per cent. ended successfully. The total number of workers involved in these complaints was about 20,000.

The Bombay Government recently passed the Trade Disputes Act in December, 1938, which provides for compulsory arbitration in certain cases and makes strikes and lockouts illegal under certain circumstances.



## CHAPTER X.

### STATE AND LABOUR WELFARE IN INDIA.

No thoughtful man to-day can observe the poverty, illiteracy, starvation and degradation of life, which is still the lot of the majority of the Indian people to-day, without seeking the remedy. As a famous statesman put it, there are two nations in India—the one in general happy, rich and educated, the other wretched, poor and without culture or knowledge. The solution for this state of affairs is not merely a body of concrete proposals by the State, as a general attitude of mind. In creating better conditions for labour, let us ask ourselves whether it is possible to banish poverty by legislative action. If not, how can this be secured by increasing production or equipping man to do so, who is the most dominant factor in winning prosperity. What steps have been taken by the State and Society to secure the man his proper nutrition and to equip our man power with education? These are some of the questions, every thoughtful citizen should ask himself in attempting to solve social and industrial problems.

The industrial and social problem in India would be solved only when the employers and the landlords understand that they owe a duty to the men of whom they are in charge and that their wealth and power carries with it responsibility for the well being of the workers. Though, as Mr. Butler says: "The salvation of industry in India does not lie in legislation and that the two parties must directly settle questions between themselves," it is generally admitted that it is the duty of the State to promote legislation calculated to further the workers' interests.

No doubt even to-day, there are two schools of thought which take radically different views regarding the proper scope of governmental action some people put little faith in the activities of government, feeling as do the advocates of the laissez-faire doctrine in economics that the sphere of government must be strictly limited; that it is unwise if not morally wrong, for the government to do much more than police duty in any State. It should only control criminals and secure conditions for the free development of private liberty. Others, and these are the more numerous, now believe that the State should attempt directly and positively to do many things for the people; that it may properly interfere in business so as to control absolutely the capitalistic and industrial world, even to the extent of assuming the ownership of a large part if not the whole of the productive capital in the State. Whether we like it or not, the fact remains that for the last 30 years or more, in

every civilized State, especially in the totalitarian States like Russia, Germany and Italy, the economic and social functions of the State have been extended very considerably except in India, which still works under the laissez-faire doctrine. In one sense the improvement of the standard of living for workers will ultimately result in the amelioration or abolition of poverty. Thanks largely to the influence of international standards, even the Government of India is undertaking industrial legislation on a large scale, though not adequate, during the last 18 years, since the establishment of the I.L.O.

In this, the last and final lecture of the series, I propose to discuss some aspects of Labour Welfare in India in relation to the State. Before doing so, let me state briefly the position in England, the U.S.A. and other countries with regard to this important aspect of social activity. The Public Social Services in England cost the nation 32 million £ in 1900 and £427 million in 1934-35, an amount several times our national budget. This shows the increase both in the proportion of the money spent on the public social services which comes from central sources and in the proportion of the national income which is spent on social services. Sir G. Gibbon an authority on this subject states that "in recent years charges for social services have been of minor importance as a burden on industry", compared with other difficulties.

The Political and Economic Planning in England, known as the P.E.P. in their latest report give a survey of the existing Public Social services in Great Britain. This report covers: (1) What are called the constructive community services—education and public health and medical relief, blind welfare, mental health and employment services; (2) the social insurance services—health and unemployment insurances, contributory pensions and workmen's compensation; (3) social assistance services—non-contributory old age pensions and unemployment assistance and public assistance. The report describes the services and their significance and sets out their deficiencies. For example—it calls attention under education and the inadequate provision of nursery schools and classes and the measure necessary to implement the "Hadow plan". In the public medical services—the report points out the need of extended maternity services, of more medical supervision at ages 1 to 5 years, of better school medical service and of making county councils and county borough councils the "omnibus" public medical authorities, and of more experiments in regional schemes. In National Health Insurance—the report states the need of bringing in other classes of workers, of including family cash allowances as in unemployment insurance of extending medical benefit to the wives and children of the insured, of inquiring into the working of the Approved Society System. It suggests that workmen's compensation should be made a part of the public social services. The survey also suggests that a Social Services Statutory Com-

mission should be established to "act as an advisory General Headquarters Staff for planning and guiding Social Policy in Great Britain". The Unemployment Insurance Statutory Committee, one of the most interesting of recent administrative inventions, is a precedent for this proposed Social Service Statutory Committee, but the field of the former is very limited and its principal, though not sole, purpose is to ensure financial soundness. In health insurance, financial soundness is already secured through the periodical actuarial reports, and in contributory pensions, the Government Actuary has to make reports at intervals of 10 years. With the great growth in the social services some new machinery for co-ordination and general policy is desirable, and the "Planning and Guiding Social Policy" to the suggested new statutory committee seems desirable. The recruitment and training of social workers also needs attention and this need is pointed out by the P.E.P.

The 18th annual report of the Ministry of Health in England for 1936-37 states that 3·3 million houses have been built in England since the Armistice, sufficient for about a third of the population; over 900,000 of these were provided by Local Authorities, over 400,000 by private enterprise with state assistance; nearly 2 million by unassisted private enterprise; the estimated cost of assisted houses public and private, is over £720 million. No other country comes within hail of this achievement. Rapid progress has been made in implementing the five years' program of slum clearance launched in 1933. The survey of overcrowding has covered nearly 9 million houses, and showed that 3·8 per cent were overcrowded (the most overcrowding being in East London and North-East England), and that "the degree of overcrowding in Local Authorities' own houses was greater than in privately owned houses".

The work of the Local Authorities for health and for National Health Insurance is also described by the report for 1936-37. The Fourth Valuation of Approved Societies was completed during the year and shows that societies and branches with over 13 million members (over 90 per cent. of the total covered by the valuation) has a total surplus of nearly £33 millions, over half of which was available for additional benefits; societies and branches with some 300,000 members had deficiencies, of a total amount of some £400,000. Additional cash benefits averaged 3*sh.* 6*d.* a week in sickness pay, with corresponding increases in disablement and maternity benefit. The largest sums for additional treatment benefits were, . . . . . dental (over £2 million in the year), opthalmic (over £500,000) and convalescent home treatment, and medical and surgical appliances (about £200,000 each). The growing cost of disablement benefit continues, according to the report. From this report, can be measured the very scale of the social services undertaken by the State and private authorities in England of recent

years, which must illuminate the general theory of State action, and the extensive part of the energy of the modern society absorbed in the maintenance of social services. This extensive State activity has a great lesson for India and though we are a poor nation relatively, we should expect the State to perform many or most of these social activities under the new constitution.

Let us examine next the American labour movement. The American Federation of Labour, (the A.F.L.), under the leadership of Samuel Gompers has a membership of over  $3\frac{1}{2}$  million unionists. Early in 1936, the heads of some half dozen of the more progressive trade unions, whose membership composed about a third of the A.F.L. decided to form the C.I.O. or Committee for Industrial Organisation. This group strove to broaden its own membership from the skilled craftsmen to the semi and non-skilled, decided to form a new organisation to bring within the ranks of organised labour a larger proportion of America's 39 million workers than the meagre  $3\frac{1}{2}$  million so far won over under the restrictive policy of the A.F.L. The old reigning clique in the A.F.L., have withdrawn from the C.I.O. The New Deal of President Roosevelt inaugurated in 1933, was a deal for labour as well as for the business man. It was stated in section 7-A of the National Industrial Recovery Act (N.I.R.A.) and later in the National Labour Relations Act, that blacklisting, discriminating against or interfering with unionists and the organising activities of unions were illegal. Such a positive statement and safeguarding of the workers' right to build up a powerful labour movement was a new statement of policy by the Government. It is in response to this new policy that the C.I.O. was organised in 1936, as a New Unionism. The A.F.L. was not prepared to lead this New Unionism and that is the justification and necessity for the C.I.O. The A.F.L. has suspended the C.I.O. constituents about a  $1\frac{1}{3}$  of its membership as a disciplinary measure. The C.I.O. has survived nearly two years inspite of the vigorous opposition of the A.F.L. and unlike all previous attempts at rival organisations to the A.F.L. and with the success or failure of this new organisation are likely to be bound up the chances of industrial democracy in the U.S.A. for many years to come.

The Depression and the New Deal marked a clear turning point in public opinion in America. The necessity of relief and social insurance for 12 millions unemployed, many of whom would never be reabsorbed in private industry, was sprung upon the country. The presidential election of 1936 when labour elected Roosevelt proved that the U.S.A. has accepted this as a permanent federal burden. America has at last recognised that she has a collective duty of allocating certain permanent social costs, and that economic classes have come to stay. The 800 N.I.R.A. Codes reduced hours of work, established the 40 hour week (as in France), re-employed about 2,055,000 men fixed minimum wages and

gave organised labour an official voice in certain Code making. The establishment of the National Labour Relations Board to investigate unfair practices towards organised labour, and of La Follette's Senatorial Committee to scrutinise industrial espionage, sustained and enlightened the public interest about the realities of industrial warfare, and made it possible to pass a law prohibiting the transport of strike breakers across State lines—the next attempt since the 1932 Norris-La Guardia Act limiting application of legal injunctions against unions, to implement the penetrating but totally ignored recommendations of the Industrial Relations Commission of 1915 for inaugurating peace in Industry. Such legislation in the U.S.A. has some lessons for us to teach, and similar problems are likely to arise under our new Federal Constitution. The Liberty League was formed by reactionaries to reclaim control over opinion, and relying on the customary support of the courts given to conservative interpretation of property rights, it organised among employers a boycott of the National Labour Relations Act—The U. S. Supreme Court, however, unexpectedly threw all precedents to the winds and upheld the Act, and the League's activities failed. In the 1936 presidential election, middle and working classes united to defeat the employers' candidates despite a campaign fed with the largest funds on record. In 1935, the U.S.A. Government appropriated 4,880,000,000 dollars for providing the 3½ million able bodied men on the federal relief rolls work at a living wage on projects of social usefulness, such as slum cleansing, road building, reforestation, soil redemption, rural electrification, etc., and to provide social security, through old age pensions unemployment insurance and benefits for dependent women and children.

Where States (in U.S.A.) have had social legislation on the Statute book, it has lacked enforcement. Utah and Wisconsin have led the procession of States in passing labour relation Acts supplementary to the national one. Labour needs in America as in Britain, a firmer hold over political machinery and the same conclusion applies to India also. Only as a political power can labour force legislatures and governments to validate the new rights of social welfare and the justice it demands. All the same social welfare legislation in the U.S.A. is still far behind that of England. In our previous lectures we have seen that the social welfare of the workers in Soviet Russia has been greatly secured due to the feeling that the workers constitute the ruling class there. We have also seen that in Nazi-Germany and Fascist Italy the authoritarian State secures as a matter of principle and policy the social welfare of its workers, though not on a scale comparable with the standards of U.S.S.R. or England. Now let us turn our attention to India to examine to what extent the State and private agencies have exerted themselves, so far on behalf of social (labour) welfare. We will take up problems like National Health Insurance, Unemployment Insurance, Factory

Inspection, Health, Housing, and Sanitary Condition, Recreation, and Adult Education, Social Welfare and Labour and the Co-operative Movement, etc. We will first discuss the Health, Housing and Welfare of Industrial Labour.

The change from a rural to an industrial environment produces an unfavourable effect on the health of the workers. Living an outdoor life and doing agricultural work they can stand in the villages with a considerable degree of parasitic infection. But the transfer to large industrial centres, with confined atmosphere, crowded insanitary dwellings and the absence of outdoor recreation, makes the workmen liable to new infections and makes them easier victims to illness and disease. Therefore, with regard to the problems of health, housing and welfare of the workers, it is necessary to adopt a well conceived program, which can be carried out gradually, and the expenditure on which must be spread over a number of years. Such expenditure is sure to be very beneficial, even economically, to the workers, their employers and the community. The birth and death rates are much higher and the average expectation of life, at birth and different ages, is much lower in India, than in Western countries. Although separate statistics are not available for industrial workers, there is no doubt, that sickness and disease extort a heavy toll from them and lower their productive capacity to a large extent. The economic loss caused by this as well as by the bringing up of a large proportion of children, who die without making any addition to the wealth of the community is enormous.

The industrial workers continue to suffer very much from the ravages of hook-worm and malaria. The former is common among the industrial workers of Bengal, Bihar and Orissa and Assam. This disease makes serious inroads upon the health and efficiency of the workers and is due to the wretched sanitary conditions and the absence of latrines in many of the housing areas. Provision of sanitary latrines by the employers and municipalities coupled with scientific treatment can eradicate this dreadful disease. Pure water supply and suitable and adequate bathing and washing facilities should also be provided by the employers and Local authorities.

Malaria prevails among the workers all over the country, and the economic loss resulting from the deaths and ill health that it causes is incalculable. The effective control of malaria will bring about a radical transformation in the health conditions of the workers, will make them more efficient and contented. This question can be solved by the effective co-operation of the medical officers attached to industrial establishments with the Provincial Health Offices and Research Organisations. Employers in malaria districts should develop a much more energetic policy of prevention and treatment than they have hitherto done. The Labour Commission recommended that every provincial

health department, every railway administration and all boards of health and welfare in mining areas should employ full time malariologists. The Indian Factories Act of 1934, following the recommendations of the Labour Commission, contains several provisions for the maintenance of good health of factory workers. These include the maintenance of cleanliness in accordance with rules to be framed by local Governments with regard to lime or colour washing, painting, deodarising and disinfecting the provision of proper standards of ventilation and the adoption of adequate measures to prevent the inhalation of gas dust and other impurities generated in the course of the work; the prohibition of overcrowding by laying down the standards of cubic feet of space to be provided for each worker; the provision of suitable and sufficient lighting; the provision of adequate supplies and sources of water both for drinking and for washing and for the maintenance of sufficient latrine accommodation separately for male and female workers. The lack of sanitary latrines is the chief cause of hook-worm.

As in most things connected with the welfare of labour, Indian railways are in the forefront in the matter of the provision made for medical aid and relief. All railways maintain fully equipped hospitals with qualified surgeons, physicians and nursing staffs at suitable centres in addition to fully equipped dispensaries in charge of qualified medical officers of all places where there are sufficient number of workers to justify them. A bill introduced by Mr. N. M. Joshi in the central legislature in 1924 to provide for the payment of maternity benefits in certain industries was thrown out by the Central Assembly in August, 1925, but the Governments of Bombay, Bengal, Madras, U. P. and the C. P. passed their own Maternity Benefit Acts. The Bombay Act was amended in 1934 in such a way as to be of greater benefit to the persons concerned. The U. P. Government passed an Act this Session on similar lines. Provincial Factory Administration Reports for the Bombay Presidency for 1935 and 1936 record that the Bombay Maternity Benefit Act is having a restrictive influence on the employment of women in factories, particularly in Ahmedabad. One of the many additional principles introduced in factory legislation in India, by the Indian Factories Act of 1934 was one for the compulsory provision in all factories wherein more than 50 women workers are ordinarily employed of a suitable room for the use of children under the age of 6 years belonging to such women and for the supervision of the children in such rooms or creches in accordance with rules to be framed by the local government in the matter. The Government of Bombay has made provision for the adequate supervision of these creches by the appointment of a lady Inspectress of Factories. Among the more important recommendations made by the Royal Commission on Labour in India in connection with the health of the industrial workers are the following:—

(a) India should have an Institute of Nutrition. The Government of India has taken no action for this for want of funds. Similar institutions, some of them conducted by Governments, have done valuable work in most Western countries. Some nutritional research is being done at the Deficiency Diseases Enquiry Laboratory at Coonoor under the auspices of the Indian Research Fund Association, but it is handicapped by an inadequacy of staff and resources. The institution should also do publicity work, in addition to research, as the workers are in great need of guidance with regard to their dietary. As deficient diet is an important cause of the poor health and physique of many of the workers, a well staffed and well equipped institution for research in dietary and nutrition is absolutely essential for India. The League of Nations studies in this field are of considerable help in this matter. Dr. Akroyd has done useful work in this connection.

(b) Local Authorities should construct sanitary markets in all urban and industrial areas.

(c) Adulteration of Foods Acts should be in force in all provinces. Employers and trade unions should establish co-operative stores for the sale of clean food, which can be sold at prices a little lower than market prices, so that the middlemen's profits would be avoided. Adulteration of food stuffs is another great evil from which the workers suffer much at present. Pure Food Acts have been passed in two provinces and even there, their provisions can be applied only to those municipal areas, whose municipal councils desire to do so.

(d) In Industrial provinces, Public Health Departments should be strengthened to deal with industrial hygiene and industrial disease. Although the prevalence of industrial diseases in India has not yet been properly investigated, there is ample evidence to show that they do exist, and medical inspectors of factories and mines should be appointed to pay special attention to them. The Indian Research Fund Association, should be financed to conduct research into industrial health problems, such as the effect of hours and temperature on production, the suitability and adequacy of the present rest intervals, and the relation between fatigue and accidents as owing to intense world competition, industries in India must be carried on as efficiently as possible.

(e) Women should be appointed to public health staff particularly in the more industrialised provinces. This will result in better supervision of the health of women and children in industrial occupations.

(f) Comprehensive Public Health Acts should be passed in all provinces, because the existing Acts and the sections of the Municipal and Local Boards Acts dealing with public health problems are inadequate and disconnected.



(g) Where piped water supplies are not available (as they are not in many cases) special precautions as to purity should be taken.

(h) Recommendation for compulsory appointment of malarialogists on all railways, mines, factories and even in provincial health departments.

(i) A government diploma for health visitors should be instituted as the recognised qualification required of all women aspiring to such posts. Suitable women should be trained as midwives in maternity hospitals and should then work in child welfare and maternity relief centres under the health visitors, attend confinements in the workers' homes and obtain skilled assistance wherever necessary.

(j) In the larger industrial areas, Governments, local authorities and industrial managements should co-operate in the development of child welfare centres and women's clinics and Government should give percentage grants for approved schemes. Most of the Provincial Governments have expressed their readiness to give effect to many of these recommendations when the financial conditions improve.

(k) Maternity benefit legislation on the lines of the Bombay and C. P. Acts should be enacted in all provinces. Madras and Bengal have enacted one since then and the U. P. has just passed legislation on the subject. No other province has yet acted upon this recommendation. All methods should be explored that may lead to the alleviation of existing hardships arising from the need of provision for sickness. For want of money, neither the Government of India nor many of the Provincial Governments have given full effect to many of these recommendations so far.

Turning to the necessity of providing the workers against sickness, it is found that the extent of sickness among Indian workers, is much larger than that among the Western workers, that the medical aid available to them is much less, that their low wages compel them to borrow money during illness lasting beyond a few days, and that illness is an important cause of their indebtedness. The Government of India declared as early as 1928, that the introduction in India of any scheme of sickness insurance in accordance with the convention adopted by the International Labour Conference, was not feasible owing to the difficulties of following the sick workers to their village homes, providing them with adequate medical aid there, and arranging for medical certification in cases of continued illness, and owing to the unwillingness and inability of the insured workers to bear even a part of the cost of insurance and the very heavy expenses of administration. Needless to say that this convention is not ratified by India. The Labour Commission has suggested that on the basis of information collected by the Government of

India, a Committee should be appointed to consider the drafting of schemes under which the employers and workers may be made to contribute to a sickness insurance fund, and the sick workers may be given sick leave for a maximum period of one month for one year's work, with a proportion of their wages to be paid out of the fund by the employees. The fund should be supervised and audited by the Provincial Governments to prevent the employers from appropriating accumulated balances in the fund. Any general schemes of old age pensions, or provident funds, for industrial workers exist only on Railways, Government factories and other Government establishments and hardly exist at all in privately owned and managed industrial concerns. It is said by employers that such a scheme is impracticable at present owing to the migratory habits of Indian Labour. There can be no doubt about the great need of such a provision. While workers can save hardly anything for their old age owing to low wages and debt, they find that the joint family system, and the provision that it makes for aged members, gradually breaks down under the stress of industrialism, that their connection with their villages becomes less and less, and that they cannot keep possession of all or any of their ancestral plots of land. Consequently, many of them have to suffer great hardships when they become unable to earn their living owing to the old age. Homes for the aged and invalid which are to be found in the West are almost unknown in India. However, all that can be done at present in this respect is to induce as many employers as possible to take a long view and voluntarily to adopt schemes of old age pensions or provident funds for their workers so as to increase their efficiency by attracting a better type of workers and keeping them contented. It is the duty of the State to help such schemes by financial grant-in-aid and other ways. The State in England undertakes this function as its own concern. Other Western States have similar policies. Schemes of National Health Insurance, Unemployment Insurance, old age pensions are regarded as impossible of being given effect to by the State in India on grounds of finance and the hugeness of the problem. If the Government reduces its military and defence expenditure which absorbs nearly half of the total budget, then beneficial schemes of social welfare like these may be tried at least on an experimental scale.

We will next take up the question of Industrial Housing. This problem is far more complicated in India than in the West. The present provisions for the housing of workmen are generally bad, not only in the large cities but in industrial communities of every size and in rural districts. Not only are the houses and tenements which are available for workers largely unsanitary and unfit for habitation, but they are inadequate, resulting in high rents, overcrowding and congestion. Such conditions make not only for discomfort and unhappiness, but for disease and degeneration. The ordinary method of supplying houses

through their erection by private capitalists for investment and speculation has rarely, if ever been adequate. Excellent plans for the housing of workmen have been put into effect by a number of firms and corporations, but such measures have not at all affected the general situation, and being dependent upon the volition of individuals cannot be regarded as likely to greatly influence progress. The tenement house acts as well as the health ordinances and building regulations of municipalities, while generally productive of good effects, are at best surface remedies and can never cure the evils of the present housing situation. In every important European country, as for instance in Austria Government aid and direct intervention to curb speculation have proved to be necessary for the promotion of any real progress. Governmental action in Europe has chiefly taken the following forms:—

(a) Extension of credit to voluntary non-profit making associations.

(b) Construction by the Government of buildings which are leased for long periods on easy terms.

(c) Exemption from taxation and other subsidies for homes constructed for occupancy by their owners.

(d) Legislation designed to prevent the holding of land out of use and to secure for the Government a part of the unearned increment.

The Central and Provincial Governments should institute investigations directed not so much to ascertaining existing housing conditions as to formulating constructive methods by which direct support and encouragement to the promotion of improved housing can be given. Actual experiment in the promotion of housing should proceed as rapidly as proper plans can be drafted. Special attention should be given to taxation, in order that land should as far as possible be forced into use and the burden of taxation be removed from house-owners. The municipalities should be relieved from all State restrictions which now prevent them from undertaking the operation of adequate housing schemes and from engaging in other necessary municipal enterprises.

In most industrial centres, population has grown rapidly and outstripped available housing accommodation, owing to limited space and high land values, thereby causing congestion, filthiness, and outbreaks of epidemics, and increasing the rates of sickness, general mortality, and infantile mortality. In the great majority of industrial areas workers live in single rooms at the rate of 6 to 9 persons per room. In that same room, the workers have to eat, sleep and live. The result is that a large portion of the men sleep and spend most of their time out of doors, chiefly on the street pavements. But the women have to live and sleep in the ill-ventilated rooms with their children, several of them

occupying each small room. Early in the morning they have to get up to take their turn at the pipe (water-pipe) to procure water for the day for drinking, cooking, bathing, and cleaning pots. Then they have to kindle the fire to cook their food, and to put up with the pungent smoke coming from the lighted cowdung cakes or wood. After such a night and morning they have to go to their respective mills and to work in their stuffy atmosphere till the evening. No wonder there can be no humanity left in them after this experience and the bulk of them will turn extreme socialists. Unless these conditions are changed peacefully by the State and society, the workers living under these conditions will rise and change the State and society to their own liking.

Giving evidence before the Labour Inquiry Committee at Cawnpore on January 17th, 1938, the Chairman of the Cawnpore Municipal Board said that his visit to the slums in that city had convinced him that workmen had worse accommodation than cattle (*i.e.*, horses and cows) in these areas. The Census Commissioners also remarked that slum conditions in Cawnpore were the worst in India. According to the evidence of the municipal chairman, about 50 per cent. houses in Cawnpore were insanitary. He also said that Government should pass laws to empower the municipality to collect arrears of rent in the same way as taxes if it is to be encouraged to build workmen's quarters. At present for the ejection of tenants, it had to go to Courts. The Municipal Executive Officer submitted details of a scheme estimated to cost 3 crores to provide better dwellings for Cawnpore labourers. He said that 40,000 houses would be needed to house 1,50,000 workers and their families. The Improvement Trust of Cawnpore is empowered to spend 30,000 rupees annually on providing workmen's dwellings. He concluded that Government should borrow money to undertake housing of labour in Cawnpore as it would be a safe investment. A Joint Committee of the Trust and the Municipality has been formed to tackle the slum clearance problem in Cawnpore. By 1936, the Trust had provided tenements for over 40,000 men in the new developed areas and wants 50 lakhs to carry out the slum clearance schemes and to provide houses for workmen. The conditions in Bombay, Ahmedabad, Sholapur, Nagpur, Calcutta, Howrah, Madras and other industrial centres are only slightly better than in Cawnpore. The lady doctor appointed by the Government of Bombay stated before the Labour Commission that she found six families with a total membership of 30 living in a single room measuring 15 x 12 feet in Bombay. According to the 1921 census, in 135 cases single rooms were occupied by six families and 2/3 of the Bombay population lived in single rooms with an average of 4 persons in each. In London only 6 per cent. of the population lives in one room tenements with an average of 2 persons in each. The Indian Railways, the Jute Mills in Bengal, the British India Corporation of Cawnpore

the Buckingham and Carnatic Mills of Madras, the Empress Mills of Nagpur, and some mills in Bombay, Ahmedabad, Sholapore and the Tata Iron and Steel Company and the Tin Plate Company at Jamshedpur have done something to improve this disgraceful condition of the housing of workers. Though these employers have done more than municipalities and government to tackle the problem of housing the industrial workers, but so far as they have touched only the fringe of the problem. The Tatas are in the forefront of industrial employers in India in providing decent housing for as many of their workmen as possible and they have built 5,000 residential buildings in Jamshedpur. The same firm acting as agents for the Empress Mills in Nagpur have leased a plot of 2,000 acres at Indore, a suburb of Nagpur, two miles from the Empress Mills. The idea is to establish a model village and to build houses of the bungalow type on plots measuring 36'×53' with the limitation that building is not to be allowed on more than 1/3 of the space provided. The houses are let to the workers on the hire purchase system and it is expected that many of the workers will ultimately own them. Recently the Madras Government inaugurated a scheme of Co-operative Housing in Coimbatore, with State subsidies for better housing of labour.

The Labour Commission has suggested that a survey of the housing requirements of industrial areas should be made by each provincial government and that the information should be considered at a conference of each government, the municipal authorities and the employers with a view to arriving at decisions regarding practicable schemes. Employers should co-operate with the municipalities by sharing in the financial burdens, and the provincial governments by selling or leasing land and by creating a Ministry of Health in every province. The Ministry should fix minimum standards regarding floor and cubic space, ventilation, lighting, latrines, water supply, and drainage for houses erected for industrial workers and all municipal authorities should be made to include them in their building bye-laws under a comprehensive Public Health Act which should be passed in each province. The Commission's recommendations fall under the following categories: (1) Legislative Action by the central Government; (2) Administrative Action by the central government; (3) Legislative Action by provincial governments; (4) Administrative Action by provincial governments; (5) Administrative Action by public bodies such as municipalities, improvement trusts, etc., and (6) Action by employers and workers organisations. The recommendation under the first head included a suggestion to amend the Land Acquisition Act in such a way as to enable owners of industrial concerns to acquire land for the erection of workers' dwellings. The Government of India passed such an Act in 1933. The commissions' recommendations under the second head mostly concern railways, and although Railway Board agrees on the vital urgency of providing adequate housing, it cannot do so, it seems, due

to financial stringency. The recommendations under the third and fourth and fifth heads also cannot be carried out by the provincial governments for want of finances. Government and municipal authorities should stimulate the establishment of co-operative building societies by allowing them to construct houses on sites prepared by the authorities and the employers should promote them by giving loans or subsidies, as is done in Vienna the most successful of recent experiments and as done by the London County Council.

Section 33 (1) of the Indian Factories Act, 1934, makes it obligatory for all factories employing more than 150 workers to provide adequate shelters for the use of workers during periods of rest. Little effort has been made in India to run co-operative canteens on the lines of those which are associated with most of the large factories in the West. Pioneer work in this direction has been done by E. D. Sasoon and Co., in Bombay, which manages 11 large cotton mills in Bombay has established large canteens in all their mills. Hot meals are supplied to the workmen at actual cost. The company also maintains a hostel for boarding and lodging its poor women workers. The charges vary from Rs. 1|8 per month for a child to Rs. 6 for an adult.

**Factory Inspection.**—In all industrial countries the proper administration of labour laws is far more important to the workers than their enactment. However, praiseworthy the laws may be on paper, they are useless to the workers, if they are broken by the employers. In the western countries, their efficient administration has depended upon the integrity and zeal of factory inspectors, public opinion, and the assistance of trade unions and the workers themselves in bringing the law breakers to book. In India, however, a majority of the workers are ignorant of the provisions of the laws, and those who are not, are always most reluctant to give evidence regarding any infringement of the laws owing to the fear of victimisation by the employers or overseers. Secondly, while public opinion in the western countries especially in England as pointed out to the Labour Commission in London by the Chief Inspector of Factories, is so strong against any infringement of Labour laws, that employers are always careful to avoid the notoriety of a prosecution. In India, such a public opinion has not yet been created. Consequently, many employers mainly in the smaller towns, still attempt to increase their profits by evading the factory law. They keep watchmen at the railway stations in order to obtain timely information about the arrival of a factory inspector, and pay a reward to any one who gives such information. They keep false registers, and even if an inspector manages to arrive unexpectedly, they or their overseers engage him in conversation while the underage children are quickly sent out by side-doors or concealed in bales of cotton.

Although the Factory Acts have been passed by the central government and legislature, the work of administering them has been entrusted to the provincial governments which have also been empowered to frame rules under the Acts and to get supplementary legislation with the sanction of the Government of India to enable them to meet varying local needs. The administration is conducted mainly through qualified factory inspectors who must not be financially interested in any of the industrial establishments under their control. In recent years, their number has been increased and although the increase has not kept pace with the increase in the number of factories and the volume of the work, the administration of the Factories Act has improved, and the number of prosecutions under the Act has also increased. The inspectors, visit most of the permanent factories at least once a year, and the more important ones, twice or thrice every year. Their work has been a record of patient and unremitting effort to make employers and the public do justice to the workers. The Labour Commission was favourably impressed by the energy and capacity shown by them in discharging their difficult duties and was convinced that the standard of the enforcement of the Act had steadily improved.

In addition to these special and permanent inspectors all district magistrates are ex-officio factory inspectors, and a number of sub-divisional and other magistrates and a few medical officers have also been appointed to help in factory inspection in addition to their usual duties. But the help received from them in the enforcement of the Act has in most cases been small, chiefly owing to their lack of technical knowledge that is needed for the efficient inspection of a perennial factory. There are no women inspectors except one in Bombay, who is a doctor.

The inspectors have to prepare and to keep up-to-date the provincial registers of factories and to examine the notices, abstracts, employment registers and other prescribed records in factories. They have large discretionary powers in regard to the health and safety of the workers in factories. The provincial governments also appoint certifying surgeons to examine all children and judge their probable age and general fitness, before they are allowed to work in factories certificates can be suspended or withdrawn if facts are discovered later contrary to the bases on which the certificates were originally issued. The Factories Act is also applied to seasonal factories, but as regards exemptions and enforcement they have hitherto enjoyed a greater latitude than perennial factories. The seasonal factories form an important group, because taking as the definition of a seasonal factory one which works for not more than half of the year, it is found that of the 8,143 factories registered under the Act, 4,406 are seasonal and that 2,88,000 workers are employed in them. The workers in them are unorganised and their wages low. Such factories are cotton ginning and pressing factories,

tea factories, rice-milling factories, jute presses, and lac, indigo, coffee, and rubber factories.

If the provisions of the Act or the rules framed by the provincial governments thereunder are violated, or if an inspector is obstructed in the performance of his work the occupier and manager are jointly and severally liable to a maximum fine of Rs. 500. However, the actual fines imposed by magistrates have so far, in most cases been too small to serve as deterrents even in the cases of repeated offences. This has been one of the chief difficulties in the enforcement of factory laws. It makes it profitable for an employer to flout the laws and to risk detection by an inspector. The fine ranging from Rs. 10 to 50 can be made up by a single hours' illegal work, and the inspector cannot come except at fairly long intervals. The inadequate fines are due partly to the imperfect knowledge of the factory laws by trying magistrates, and partly due to the general apathy of the public about the conditions of the workers. The effectiveness of the enforcement of factory laws, like all other laws, must in the last resort depend upon public opinion. For the administration of the Mines Act, unlike that of the Factories Act, the central government is responsible and appoints the inspectors. However, inspection of mines has proved rather inadequate so far, there has been no sufficient check upon the miners' hours of work, and many of them yet frequently exceed the daily or weekly limits. Although the powers of an inspector are very wide, they are strictly limited in some directions. Although there is a much greater scope for welfare work in the factories, a fair amount of welfare work has been done, especially in Bombay and the inspectorate has been on the whole a progressive force in this direction.

**Safety and Sanitation.**—Great progress has been made during recent years in promoting safety and sanitation in manufacturing, mining and transportation. The progress has been most rapid in the direction of safeguarding workers from industrial accidents. Progress in safety has been in part the result of continued agitation and education, but has proceeded more rapidly since the enactment of workmen's compensation laws, which render unsafe working conditions expensive to the employer. The campaign for safety needs, however, should be greatly extended as rapidly as possible. The annual list of accidents, approximately 50,000 fatalities and 1,000,000 injuries involving disability of over four weeks, cannot be regarded complacently. From one-third to one-half of these accidents have been estimated by competent authorities to be preventable by proper safeguards inspection and control. On the average there are 2 accidents annually per factory coming under the operation of the Factories Act.

The advance on the sanitation of workshops and factories has been less rapid, because not only are the dangers less obvious, but there is



no financial liability for diseases or deaths occurring as the result of improper sanitation. Future progress in sanitation demands attention not only to cleanliness and ventilation but to occupational diseases. The most direct incentive for the promotion of sanitation would be the adoption of a proper system of sickness insurance.

As in other countries, the industrial progress of India has been accompanied by an alarming increase in the number of industrial accidents. The explanation generally offered is that the Workmen's Compensation Act is operating as an inducement both for workpeople and for employers to report accidents more frequently than in the past. The provincial governments have framed various rules under the Act for safeguarding the health and safety of workers in factories. Fencing of dangerous machinery and openings in addition to that provided by the Act is prescribed by provincial rules. If any immediate danger to life is apprehended, the factory inspectors can order the suspension of work in a factory until the danger has been removed. Women and children must not clean power machinery while in motion, and workers replacing belts or oiling the bearings of shaftings must be given gratis tight trousers by their employers. Information must be supplied by managers to the factory inspectors about all accidents causing death or injury preventing work for more than 48 hours.

Workers need protection against accidents and the Workmen's Compensation Act of 1923, as amended frequently and in 1933, covers over seven million industrial workers in India. Under the Act, payment of compensation has been made obligatory on all employers, where personally injury has been caused by accident arising out of and in the course of employment and where the accident is not directly attributed to misconduct, breaches of rules or orders or disregard of safety devices. The Labour Commission recommended the extension of the Scope of the Act so as to cover all types and classes of workers affected by the increased risks of modern industry, secondly, to enhance the scales of compensation payable and to facilitate the methods for their payments and thirdly, to effect changes designed to improve the administration of the measure. The Act is administered entirely on a provincial basis, by commissioners appointed by local governments. The Act, however, falls short of the British Act and similar legislation in U.S.A. and the western countries.

**Labour Welfare.**—One of the important duties of the state in relation to Labour is welfare work, which may be defined as work for improving the health, safety general well-being and the industrial efficiency of the workers beyond the minimum standards laid down by the Factory Act and other labour legislation. The importance of welfare work is greater in India than in the West. Indian workers regard industrial employment as a necessary evil from which they are eager to escape.

as early as possible. The necessity for welfare work arises out of the modern system of production which destroys all personal touch between the employers and the workers. It may be divided into intra-mural and extra-mural, *i.e.*, work inside and outside the factory and may be rendered by the employers, the state, and the workers, or by philanthropists and social service agencies. The aim of welfare work is threefold. It is partly humanitarian, to enable the workers to enjoy a richer and fuller life. It is partly economic to improve the efficiency of labour, to increase its availability where it is scarce, to secure a better class of workers even if it is not scarce, and to keep them contented so as to minimise the inducement to resort to strikes and take direct action. The aim is partly civic, to develop a sense of responsibility and dignity among the workers, and thus to make them worthy citizens, by providing them recreational and educational facilities, etc. Before the war, welfare work hardly existed in India owing to the ignorance and apathy of the workers, the shortsightedness of the employers, the neglect of the state and the indifference of the public. But it began with the war, and in spite of the continuance of economic depression it has been expanding steadily, and although it is yet far below the English, American and European standards, it has come to stay and is bound to progress. Even to-day the position is, that more than 60 per cent. of Indian industrial workers are still not covered by any schemes of welfare work whatever. Largely, owing to the efforts of the International Labour Conferences, public opinion is being roused and educated in the matter and government as a result is forced to take an active interest in welfare work. The discontent and industrial unrest prevalent has forced an increasing number of employers to take a long view of their interests and responsibilities. As a result of all these forces, social service agencies are being established and social workers are being trained for this work.

Welfare work may take the form of providing more space, more light, better ventilation, more suitable temperature, better water supply and better sanitary conveniences than are laid down by the Factory Act. It may also take the form of the provisions of dining rooms, tea shops and canteens supplying wholesome and fresh food, bathing and washing facilities, creches, day schools for children and night schools for adults, reading rooms and libraries, co-operative societies, cheap grain and cloth shops, medical help, first-aid appliances, housing, open-air and indoor games, magic lantern and cinema shows, dramatic performances, excursions, open-air lectures and other facilities for recreation and exercise, celebration of religious festivals, sickness benefits, leave on pay, maternity benefits and mothers' allowances, although the provision of some of these facilities is not enjoined by the labour legislation of this country.

Varied welfare work is being done by several employers at various centres, the important being the Buckingham and Carnatic Mills of

Madras, the Empress Mills of Nagpur, the Jute Mills at Kankanaria, Currimbhoy Ebrahim Workmen's Institute, Bombay, Angers Jute Mills, the Paper Mills at Titaghur, Tata Iron and Steel Works, Jamshedpur, and the British India Corporation, Cawnpore, and the Burma Shell Co. Nearly all the Indian railways, several municipalities, port trusts, and the public utility service corporations have been doing similar work. In many cases, this work is under the charge of special welfare or labour officer appointed by the firm concerned. In 1937 Mr. Naidu, welfare officer of the Tata Iron Steel Co., was appointed workers' delegate to the International Labour Conference at Geneva. Unfortunately some of these welfare officers are not properly trained and equipped for their work. In some cases grants-in-aid are given to such outside organisations as the Y.M.C., the Kirkee Education Society, and the Social Service Leagues, etc., to take charge of certain sections of welfare activities particularly with regard to recreation and the education of both the workers and workers' children. The Bombay Y.M.C.A. also conducts several night schools.

Several social service agencies such as the Servants of India Society, the Social Service Leagues in Bombay, Calcutta and Madras, the Sevadan Societies in Bombay and Poona, the Bombay Presidency Women's Council, the Maternity and Infant Welfare Association, the Y.M.C.A., the Y.W.C.A., the Depressed Class Mission Society and various Missionary Societies are doing valuable welfare work partly independently and partly in co-operation with the employers of labour. They have embodied in them the strongest Indian traditions of unstinting service and the western practical experience of social welfare. It is a pity, however, that most of these social welfare workers have not been trained in the latest methods and principles of the work, they are doing enthusiastically. Recently, the Tata Graduate School of Social work was founded in Bombay with a view to train workers in this field. The real value of the welfare work of all these agencies lies in establishing higher standards of working and living conditions which, by becoming general, must ultimately lead to the raising of the minimum standards laid down by legislation.

Trade Unions, however, regard the welfare work done by the employers with suspicion in the belief that the aim of the latter in doing this work is to keep their workers away from trade unions. Further, the unions, are afraid that the workers, led away by the attractions of welfare activities may fail to appreciate the important consideration that no amount of welfare work can take the place of decent wages. It is but natural for them to feel that the welfare activities of the employers are mere concessions and not the workers' rightful dues like wages, and that, therefore, the activities are liable to be curtailed or even withdrawn by the employers according to their inclinations, especially during a period of a strike or a lockout. Trade unions, therefore, desire welfare work

to be done by themselves, the State or independent public bodies. Finally, if welfare work is not standardized some of the union members working under one employer may obtain larger benefits than others working under a less progressive employer and thereby the solidarity of workers would be adversely affected. This suspicion can be removed by the adoption of a right attitude by the employers. If they undertake welfare work with pure motives, and neither in a spirit of rivalry among themselves nor in a spirit of hostility towards the trade unions, their welfare activities will be approved and welcomed by the Unions.

There are positive evils like drink, opium, gambling and other vices from which the workers suffer. It is in this field that the welfare worker should also exert himself to his utmost. The Labour Commission recommended that there should be a more general extension on the part of the employer of welfare work in its broader sense by providing for health visitors, re-creational and educational facilities. But it is the duty of the State to do something in this matter, as it is doing in the West. It is sometimes urged that as industrial workers constitute only a small proportion of the population, it will not be justifiable on the part of the State to undertake any large extension of welfare work for their benefit only. This is a very narrow and poor conception of the scope of State activity, because the general raising of the standard of living and the better education of the workers, is bound to re-act on the education and standards of living of all workers agricultural and industrial gradually. The theory of the greatest happiness of the greatest number, applied to this problem, means that the State should undertake social welfare work as one of its proper functions because workers whether industrial or agricultural constitute more than 9|10 of the population of this country. Difficulties such as the illiteracy, the temporary and floating character, and the differences of race, language and religion of the labour force, no doubt exist. But then, the object of social welfare work primarily is to remove these very difficulties. The Labour Commission recommended that the Provincial Governments should be given the power to issue, as in England, welfare orders under the Factories Act to groups of employers, requiring them to provide certain facilities for their workers, such as the provision of one or more first aid boxes of a prescribed standard in all industrial establishments.

I should like to end on the note that after all Legislation is not the sole remedy for the salvation of industry in the words of Mr. Butler. What is required, is the realisation on the part of the State, the employers and the public that the human rights of the workers to live (and not merely to exist in hovels) have a claim upon society and that if this claim is not conceded in time we will have neither social justice nor social peace and the alternative will be revolution instead of evolution.

## INDEX.

### A

Aberdeen, 63.  
Agra, 104.  
Agreement of Vidoni Palace, 30.  
Ahmedabad, 9, 79, 81-83, 92, 96, 146-149.  
A.I.T.V.C., 89.  
America, 13, 79, 117, 121, 155.  
Andrews, C. F., 86, 126.  
A.S.E., 66.  
Ashley, Lord, 65.  
Assam, 157.  
Athaide, D.C., 80.  
Australia, 9, 23, 72, 112, 113, 138, 139.  
Austria, 162.

### B

Bakhale, R.R., 132.  
Baptista, Joseph, 84.  
Baroda, 115.  
Belloc, 17.  
Bengal, 80, 85, 92, 103, 126, 134, 149, 157, 158, 160, 163.  
Bengalee, Sorabjee Shapurjee, 79, 80, 102, 103.  
Berne, 125.  
Bihar, 157.  
Bismarck, 20.  
Bolshevists, 27.  
Bolshevism, 45.  
Bombay, 79, 80, 81, 84-86, 91, 101-103, 108, 114, 131-34, 137, 146, 149, 151, 158, 160, 163-171.  
Bosanquet, 44.  
Bradley, 44.  
British Fascists, 39.  
Buckingham Mills, 83.  
Burma Oil Company, 131, 146.  
Butler, 83, 100, 113, 125, 133, 152.

### C

Calcutta, 81, 85, 104, 131, 163-171.  
Canada, 138.  
Capitalism, 2, 26, 28.  
Carlyle, 63.  
Carnatic Mills, 81.  
Cawnpore, 79, 82, 88, 104, 131, 132, 137, 147, 163-71.  
Chadwick, Edwin, 64.  
Chaman Lal, 85.  
Chartist Movement, 60, 66.  
Chatterji, Sir Atul, 119, 123, 131.  
China, 133.  
Clapton, 74.  
Clow, 129, 131.  
Cobbet, William, 60.

Coimbatore, 131, 132, 163.  
Cole, 144.  
Collectivist Theory of State, 15, 44.  
Communism, 46, party; 48, 58.  
Comte, 19.  
Coolai, 81, 102, 137, 147.  
Cooley, 20.  
Cornwall, 66.  
Corporative State, 27, 30, 32.  
C.P., 115, 126, 133, 146, 158, 160.  
Czardism, 19.

### D

Delhi, Central Legislative Assembly in, 10, 104.  
Dundee, 66.  
Durkheim, 21

### E

Edinburgh, 67.  
Engels, 17.  
England, 20, 22, 61, 72, 91, 93, 95, 103, 112, 145, 153-154, 161.  
Erulkar, D., 123.  
Europe, 13, 29, 51, 62; 79, 97, 144, 162.

### F

Fascism, 24, 26-28, 30, 32, 37, 39, 40.  
Fascists, and wage workers, 27-28, Grand Council of 27; party 27, 32, 34, 37, 40.  
Fascist State, 24, 25, 26-29, 31, 39.  
Feder, Godefroid, 40.  
Ford Company, 9, 139.  
Forty Hour Week, 35.  
France, 113, 122.  
Francis Place, 64, 66.

### G

Geneva, 83, 84, 93, 97, 106, 118, 120, 125-127, 133.  
Genoa, 98.  
German Empire, 20.  
German Nazis, 39.  
Germany, 24, 26, 29, 38-40, 43, 120, 124, 153, 156.  
Gibbon, Sir G., 153.  
Giddings, 20.  
Giri, V.V., 89, 132.  
Gladstone, 68.  
Gold Discount Bank, 42.  
Gompers, Samuel, 155.

Government, and Social progress 5; of India, 3, 5.—Act 1935, 11; Federal or Central, 11.  
Great Britain, 29, 39, 53, 62, 83, 122, 123, 134, 142, 154.  
Great War, 3, 42, 80, 125, 148.  
Guild socialism, 60, 77, 78.  
Guild socialists, 21, 140, 141, 144.  
Gwalior, 115.

## H

Hammond, Mr. & Mrs., 60.  
Hampshire, 121.  
Harrison, F., 68.  
Hegel, 44, 45.  
Hitler, 38, 40, 42.  
Hitvardhak Sabha, 80.  
Hobhouse, 19, 20.  
Hughes, T., 68.  
Hyderabad, 115.

## I

I.F.T.U., 89.  
I.F.U., 89.  
I.L.O., 99-101, 106, 116, 119-123, 130, 133, 153.  
India, 3, 4, 10, 12, 62, trade unionism in 79-98, evolution of factory legislation in 99-116, and the I.L.O. Conventions, 117-133, industrial peace in, 134-151, state and labour welfare in, 152-171.  
Indian States, 11, 116.  
Indore, 115.  
Industrial Revolution, 1, 14, 60, 101.  
Iraq, 46.  
Iskra, 46.  
Italian Fascists, 39.  
Italy, 24, 26, 27, 29, 30, 32, 38-40, 112, 120, 124, 156.

## J

Jabwala, S. H., 132.  
Jamshedpore, 79.  
Japan, 111, 124, 130, 131.  
Jevons, Stanley, 19, 20.  
Joad, C.E.M., 39.  
Joshi, N.M., 101, 114, 116, 119, 123, 126, 158.  
Jubbulpore, 147.

## K

Kamgar Samachar, 80.  
Kansas, 137.  
Kashmir, 115.  
Kershaw, Sir Louis, 99, 119.  
Kropotkin, Prince, 19.

## L

Labour, 6-12; party, 61, 74, 76, 87, 95, 106, 107.

Labour Charter (Italy), 25, 31, 32, 33, 35, 37, 38.  
Labour Courts, 37-39.  
Labour Exchanges, 34-35.  
Laissez-faire, 2, theory, 3, 4, 5.  
Lajpat Rai, Lala, 84.  
Lancashire, 63, 64.  
Laski, 13.  
Latin America, 26.  
League of Nations, 99, 100, 106,—and covenant, 118, 131.  
Lenin, 45-47, 56.  
Lichfield, Earl of, 68.  
Lokhande, N. M., 79, 80.  
London, 66-68.  
Lovett, William, 65.

## M

Macdonald, Alexander, 68.  
Madras, 81, 83, 84, 92, 96, 98, 104, 126, 131-33, 149, 158, 160, 163.  
Madura, 131, 132.  
Mahatma Gandhi, 9, 82, 149.  
Manchester, 80.  
March on Rome, 27.  
Marx, Karl, 16, 17,—ian theory, 17, 19, —ists, 41, 44-47.  
Mayeda, 130.  
Mercantile system, 14.  
Montford Scheme, 173.  
Moore, Major, 101.  
Moscow, 52, 56, 57.  
Murray, Sir Alexander, 119.  
Mussolini, 24, 25, 27, 28, 37, 39.  
Mysore, 115.

## N

Nagpur, 89, 147.  
Nair, Dr., 104, 105.  
Naihati, 131.  
National Socialists, 40, 42.  
Nazis, 41-43, programme, 40-41.  
Neo-Liberalism, 20.  
N.E.P., 55-57.  
Netherlands, 122.  
New Delhi, 121.  
New Zealand, 9, 72, 112, 113, 138.  
N.T.U.F., 89.

## O

O.G.P.U., 53, 59.  
Oregon, 137.  
Orissa, 129, 157.  
Osborne, 74-75, 91; v. Amalgamated Society of Ry. Servants, 74.  
Owen, Robert, 63.

## P

Paris, 89.  
Peel, Sir Robert, 65.  
Pennachio, 27.  
Pillai, Dr. P.P., 121.  
Plato, 44.

Por, Guildsman Odon, 30.  
Punjab, 103, 149.

## R

Rainy, Sir George, 124.  
Ramzin, trial of, 54.  
Rangoon, 147.  
Reich Government, 41, 42.  
Rocco, Alfred, 31.  
Roman Catholic Church, 15.  
Roosevelt, President, 39, 121, 155.  
Rousseau, 44.  
Rowntree Chocolate Factory, 9.  
Russia, 46, 49, 53, 57-59, 89;—ian  
Agrarian Society, 19.

## S

Sadler, Michael, 64.  
Sapru, Hon. P.N., 115, 142.  
Sassoon, Sir Victor, 112.  
Saxena, S. P., 88.  
Schacht, Dr., 42.  
Schaffe, Albert, 19, 20.  
Schneider, 38.  
Shadwell, 61.  
Shastri, Harihar Nath, 132.  
Sheffield, 67, 76.—Mercury, 64.  
Sholapur, 131, 146.  
Siberia, 46, 53.  
Simon, Saint, 26.  
Sinha, Monindra Chandra, 85.  
Social Justice 5,—Contract, 44.  
Socialism 34, German, 40, Nazi, 41, 44,  
45, 47, 50, 138.  
Socialist Internationale, 15.  
Sociologists, 21.  
Sorel, 26.  
South Wales, 70, 72.  
Sovietism, 26.  
Soviet Russia, 14, 44, 45,—State, 47-54,  
58, 82, 89, 156.  
Spain, 26.  
Spencer, Herbert, 19-21.  
Stalin, 55.  
Stein, Ludvic, 19, 20.

Strong, Anna Louise, 59.  
Switzerland, 20, 123.  
Syndicalists, 21, 26, 32, 76, 77.

## T

Taff Vale Case, 73, 74, 91.  
Totalitarian State, 24-43.  
Trade Unions, 14, 16, 18, 30, 53, 57.  
American, 58, British, 58, 60, 69, 73, 75,  
81, 83-85, 89, 90, 94-98.  
Travancore, 115.  
Travail, Generale du, 21.  
Tudor dynasty, 20.

## U

U.K., 53, 99.  
U.P., 98, 115, 133, 134, 149, 158, 160.  
U.S.A., 9, 22, 23, 29, 39, 53, 62, 76;  
99, 112, 113, 121, 127, 137, 138, 144.  
153-56, 168.  
U.S.S.R., 48, 53.  
Utah, 156.

## V

Versailles, Treaty of, 106, 119.

## W

Wadia, B. P., 81, 83.  
Ward, L. T., 19, 20.  
Washington, 68, 106-8, 119, 123, 126.  
Webb, Sidney, 62, 66.  
Whitley Committee, 95, 130, 142.  
Winant, John, 121.  
Wisconsin, 156.

## Y

Yorkshire, 63, 64.

## Z

Zurich, 46.